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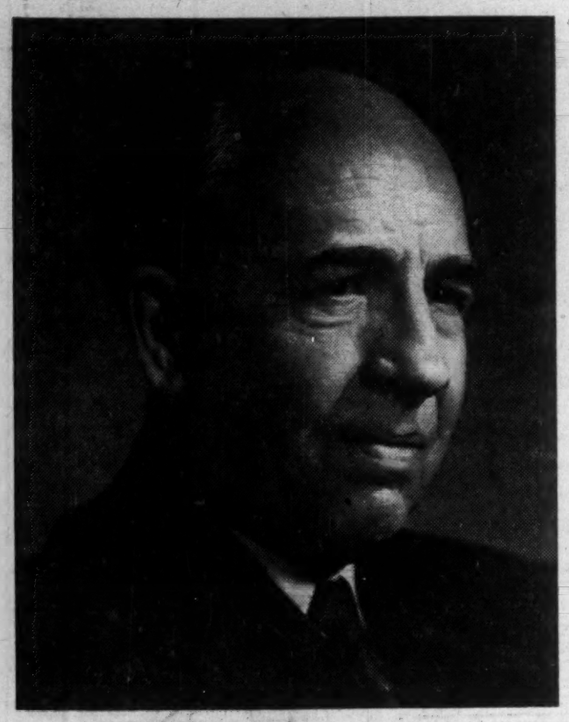
Chief Accountant



Slated to take over this week as president of the 5,500-member Canadian Institute of Chartered Accountants is Walter James Macdonald, M.C., F.C.A., senior partner, Millar, Macdonald & Co., Winnipeg. The Canadian Institute co-ordinates activities of the 10 provincial bodies. (Personality sketch, p. 6.)

THE NATION'S BUSINESS

In National Interest Which Policy Best?

It will be a great national misfortune if an all-Canada gas pipeline does not go ahead promptly.

The Toronto gas company's plan to import American gas may appear to have some minor immediate attraction, but for that single area alone.

Whether there will be any minute advantage whatever is still in doubt until rates are fixed. The U. S. gas to be imported for this single area may turn out to be very considerably more costly than the Canadian product.

All of Canada should now share in the benefits of this great natural resource—Montreal, Ottawa and other centres in the industrial east. An all-Canada line is especially important for big industries around the head of the lakes which would provide a very important market.

There have been three things wrong with many of the current discussions on this subject:

1. The view has been too short term. Some people are talking about vast construction expenditures, but assessing market probabilities for only a few years ahead.

2. Too often there has been a serious failure to mark the advantages of a Canadian-controlled source and the disadvantages of a foreign source. With American gas we inevitably tangle ourselves in all the hazards of U. S. politics. We put our necks in the noose of their Federal Power Commission's right to shut off our supply should it consider this necessary in the American interest. Handling this business ourselves, we at least have our own governments making the decisions in the light of Canadian interests.

3. Most serious weakness in much of the talk is to regard the word "cheapest" as meaning the same as "most economic."

Must Look Ahead

Of course the shortest gas line looks immediately like the best bargain, but the cheapest is seldom the best bargain—and certainly not when the longer-term national interest is concerned.

The cost of an all-Canada gas line is probably 15% higher than the cost of the shortest (through the U. S.) route that would promise to serve Canada's needs.

But preliminary cost on a very long-lived project of this type is of little consequence. The interest on the extra investment is about the only significant consideration. And the extra interest on a per unit of delivered gas is infinitesimal; far, far too microscopic to weigh against long-term national considerations.

In a country with geography like ours, we inevitably pay some penalties for our nationhood. This good Canadians are abundantly willing to do. Our gas development needs to be looked at in the broader perspective of our national welfare and development potentials.

We might not yet have an all-Canada transcontinental railway if we had done only what was immediately cheapest.

We have long since decided that we wanted to make a nation out of Canada. Gas line policy is in the stream of vital national decisions linked with that basic one.

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First Work For Ottawa

The Federal Government is back in business again this week, just a month after its election victory. Ministers' holidays are over, and decisions are required promptly on a number of questions which are of real concern to business.

Besides the need for a clear-cut national policy on natural gas and the looming decision on the defense program, which are discussed on this page, the country has a right to hope that it will not be kept waiting much longer for decisions on other matters. Shipping and civil aviation are two of the most urgent.

The provision of subsidy for the Canadian deep-sea merchant navy is a matter of major policy which certainly should not be settled without careful consideration. Government subsidy would in some degree violate the policy of assisting our customers, notably the United Kingdom, to earn dollars by providing the services they can best render.

Against this, there is a strategic argument for keeping at least a minimal fleet of ships under Canadian registry and therefore subject to Canadian orders in the event of an emergency. These things need to be carefully weighed. But while the Government is debating, Canadian ship operators are losing money each week.

In the field of civil aviation, there needs to be just as careful consideration before the Government changes its general policy of protecting monopoly either for the publicly owned Trans-Canada Air Lines or for private operators.

The absurdities to which the policy can lead are sharply emphasized by the present embittered quarrel between private operators in British Columbia.

But again, while the Government hesitates and delays, the air-freight service proposed by Canadian Pacific Airlines is forbidden. The company is unable to plan, and the many businesses which expect to use the service are left in uncertainty.

Air-freight is something that neither business nor the airlines can adjust to overnight. It takes special cargo planes. For some businesses, it means a whole new system of inventories, and the development of "local" markets for perishables anywhere in the country. Canadians have a right to know now if and when they are likely to have the service.

The weighing of pros and cons, even by government, has to come to an end sometime, and decisions have to be made. A new government would have some excuse for delay. Mr. St. Laurent and his re-elected colleagues have very little.

New Maritimes Mining Empire Takes Shape

Merge Major Bathurst Ore Deposits; New Town, Harbor, Highway, Rail Line In Cards; Output "Maximum" For Lead-Zinc; Chemicals Likely

By GORDON M. GRANT

To Maritimers, it has been evident for some weeks that new mines would shortly be giving a big boost to their economy. This week, the shape of things to come emerged even brighter than many had dared hope.

What's in store: merger of the major ore deposits of the Bathurst area and installations for large-scale mine production.

Projected output of lead and zinc will be "the maximum which world markets are capable of absorbing." That spells major construction and ultimate employment "in the thousands."

To get it, over-all plans include:

—A large new harbor with tidewater loading facilities.

—A new 50-mile railway line; a new highway.

—A new townsite.

All minerals which can be economically recovered are to be extracted locally. That means a new metallurgical empire may be emerging for New Brunswick, with output ranging from base metals to sulphur and fertilizer. Details of plant capacities, type of facilities, etc., will be finalized on reports from research now under way.

Behind the Decision

After a study of various alternative production plans for the great Brunswick Mining & Smelting ore body and for the equally important Anacon - Leadridge property, a decision was made that Brunswick Mining & Smelting Corp. should acquire the entire interest in the Anacon-Leadridge deposit, as well as other M. J. Boylen-Leadridge property interests in the area, and become the operating vehicle for Mr. Boylen and St. Joseph Lead Co. which has agreed to lend the company $7.5 millions as required. St. Joseph Lead, of which Leadridge is a wholly-owned subsidiary, has agreed to subordinate its $7.5 million loan to additional financing of up to $17.5 millions if such additional financing is required.

To give Leadridge and St. Joseph Lead Co. adequate representation on the board of directors, Brunswick M. & S. plans to increase its directorate from seven to nine.

In addition to Mr. Boylen, the new board of Brunswick M. & S. will include Dr. W. F. James, Toronto consulting geologist, C. C. Calvin and Donald A. Keith, Toronto barristers, George I. Brigden, vice-president and treasurer of Leadridge Mining Co., Frank Cameron, vice-president of St. Joseph Lead, John C. Udd, Montreal hotelman, H. W. Knight Sr., member of the Toronto Stock Exchange and Gilbert Kerlin, New York City attorney. Robert J.

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No New Tariff Bargains By Canada At GATT Meet

OTTAWA (Staff) — No new tariff concessions will be made by Canada at the GATT session which starts in Geneva next week. Nor are new concessions looked for from other countries. The object of the meeting is not to start a new round of tariff bargaining, but to try to hold the tariff positions made under previous agreements.

The Government is already feeling some pressure from Canadian industries seeking more tariff protection. It is apparently prepared to resist such pressure for the sake of holding other countries to present tariff levels.

But it could not agree to tariff raising by other countries without freeing itself to raise Canadian tariffs. "There will be nothing of the Boy Scout attitude about Canada's position at Geneva," officials tell The Post.

The Canadian aim at this meeting matches the policy of the U. S. and other major trading nations. It is to maintain the status quo for a further period of 18 months—until mid-1955—in the hope that by then President Eisenhower will have got congressional authority to start reducing U. S. tariffs. The GATT session is an operation designed strictly to hold the line until U. S. policy is clarified.

Without a new agreement to prolong the GATT tariff schedules, member countries would be free to denounce existing tariff agreements any time after the end of this year. The proposal favored by the U. S. and the executive secretary of GATT is to allow a period of 18 months. Within that time, the U. S. Administration should get new tariff-reducing powers, if it is going to get them at all, and there should be some months for a new round of tariff-bargaining to be completed.

If this prolongation of the existing GATT structure cannot be achieved, the Canadian Government clearly fears that the world might plunge back into a new orgy of tariff-raising before the U. S. has settled its new policy. This is why so much importance is attached to the present meeting that Trade Minister Howe will lead the Canadian delegation in person.

He will be supported by Dana Wilgress, now Canadian representative at NATO and OEEC, who has played a leading part in

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Anglo-Can. Plans Issue Pref. Stock

MONTREAL (Staff)—New preferred share financing is expected to be undertaken soon by Anglo-Canadian Pulp & Paper Mills Ltd. in connection with its recent offer to stockholders of Dryden Paper Co.

Anglo-Canadian has called a special general shareholders' meeting for Oct. 5 to consider sanctioning the following: issue of up to 215,000 no par value common shares to holders of Dryden stock who take up the offer; a bylaw increasing capitalization by creation of 160,000 new $2.80 par preferred shares; and issue of all or any part of these preferred shares.

The offer, announced last month, was $35 cash plus one share of Anglo-Canadian for each

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Our Greatest Industry

The pulp and paper industry, reviewed in detail in this issue, is Canada's greatest single industry.

It provides the most wages, gives employment to the most people, produces the greatest wealth, earns the most money in foreign markets with which to support our huge imports from other countries.

This is a tribute to all those who have made this development possible. It also places a great responsibility on everyone involved in maintaining and increasing the growth of this giant. What happens to our pulp and paper industry affects every Canadian.

The experts tell us the development so far is only the beginning.

But the real potential can be realized only through constant attention to continuing improvement all down the line from the tree to the end product.

Thus even though there are many other signs that industry is in a healthy condition, perhaps the most bullish of all are the increased expenditures the companies are making on research, individually and collectively.

No industry, no matter how strong it appears now, can afford to stand pat. There's always someone who's going to surprise the world with that better mouse-trap — or even newsprint.

More and more Canadian producers are out to make sure that they're the ones who will do the surprising.

The Gas Scramble

Ottawa Studies Toronto's Plan But It Has Few Alternatives

OTTAWA (Staff) — The controversy about natural gas pipelines boiled up to a full crisis this week. It landed on the federal cabinet just before Wednesday's meeting and was expected to be discussed then.

Reactions in political circles were mixed. There was some feeling here that Ontario rather than the Federal Government sould take the responsibility for preventing U. S. imports to Toronto, if—as Premier Frost's week-end note to Trade Minister Howe indicated —, the Ontario Government wanted to keep out U. S. gas.

On the other side, it was being urged that national interests were involved and that Ottawa would have to act if it was to carry through its declared policy of getting an all-Canadian line built.

If the Federal Government was to act at all, it would have to move in two directions. One would be to ensure that the proposed imports for "Toronto only" did not spoil the eastern market for Alberta gas. The other would be to try to clear the way for an Alberta decision favorable to an all-Canadian line.

The first requirement would involve taking power, by order-in-council, to regulate and restrain imports from the U. S.

The second would be to attempt to reach, at last, an understanding with the Alberta Provincial Government.

When the crisis over Consumers Gas imports for Toronto first hit Ottawa, the Government was in the embarrassing position of having no clear-cut statutory authority over imports. It was a case which had never been foreseen.

Look to Statutes

After a search of the statutes, it appeared that the Government's best recourse would be the Export and Import Permits Act of 1947. It empowers the Government, by order-in-council, to declare a list of goods which may not be imported without a permit from the Minister of Trade and Commerce. There are certain conditions (see separate story) and it seemed that the gas case could be fitted into them. But it would not be the sort of case for which the Act was designed, and legal opinion was divided about its use.

In any case, the Act expires next July, and if the Federal Government is to take full control of pipelines, fresh legislation will be required at the coming session of Parliament.

No Appeal to Eisenhower

Here are the events of the last week, which led up to the Cabinet's decisions on gas:—

At an early stage it was decided that there would be no appeal to President Eisenhower to reverse the F.P.C. decision permitting export of U. S. gas to Toronto. This made it virtually certain that the Canadian Government must act on its own to formulate and enforce its own gas policy.

Over the week end a letter was received from Premier Frost re-

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Consumers' Gas Going Ahead

While supporters of the All-Canadian natural gas line at midweek were pinning their hopes on Ottawa, Consumers Gas Co. of Toronto was going ahead with its plans to import U. S. gas.

"We will make official application to Ottawa shortly for permission to bring the pipeline across the Niagara River," an official told The Post.

Answering statements that the price of U. S. gas might go as high as 69c M. cu. ft. delivered at Toronto after the third year of operation, the Consumers' official said:

"As far as we are concerned, it's a firm price of 53.17c at the start. We own the gas in the field, and we paid a price higher than the going domestic price, so that we're not afraid of an increase."

And adding to the uncertainty around the whole picture, Vice-President Frank Schultz of Trans-Canada Pipe Lines Ltd. declared last week: "Within two weeks we shall present technical evidence to the Alberta Conservation Board which will show that we can carry from Princess, Alberta, to Toronto and wholesale it to Consumers' Gas at a price as cheap as or cheaper than the firm can buy gas from Texas."

Those 500 Ideas From Britain

U. K. Show at CNE Captures Canadian Consumer

The notion that the traditional British manufacturer does not know what the Canadian consumer wants is being given the lie at the Canadian National Exhibition this year.

In particular, a showing of 500 assorted British products — each selected for the C.N.E. exhibit and most showing very good design— is being watched closely by Canadian buyers for Canadian consumer reaction.

In fact, some of these 500 articles had been spurned by Canadian buyers on their regular trips to the U. K. All were selected by the British Council of Industrial Design, which worked closely with the Federation of British Industries and the Board of Trade. Naturally, the opinions of buyers for large Canadian retail stores on items to be selected for the show were sought — but not always accepted.

For instance, one of the new trends in dinnerware cutlery design in Britain is the three-pronged table fork. Canadian buyers said it would not sell here because the four-pronged fork was so firmly entrenched in Canadian preference. But it has excited a great deal of interest and admiration at the C.N.E. and certainly will show up on Canadian store shelves this fall or winter.

Canadian buyers have been among the most frequent visitors to the area showing "500 Ideas From Britain," and the heads of large retail establishments have been observed comparing C.N.E. visitor reaction with earlier reports from their buyers on specific items.

The display of 500 items is shown to advantage in a separate room which reflects good taste and good showmanship. Groups of household furniture are displayed in sunken sections which give the maximum in eye appeal and the minimum in opportunities to handle or sit on. Visitors noticeably linger, and thousands ask the same two questions — "Where can I buy it?" and "How much is it?"

Managing the exhibit for the resident United Kingdom Trade Commissioner office in Toronto is Joe S. Balcon. He and his staff have been making voluminous notes on inquiries; will make specific reports to U. K. manufacturers on the Canadian reception to each article, and will have a sheaf of names of prospective customers for new agents when they are named.

Some British exhibitors sell merchandise from their booths, as much to waken consumer interest as to earn dollars. Most have reported satisfactory sales volume and one, Abbott of England, reports sales volume has been double that of corresponding days last year.

Special interest has also been shown in the exhibit of the National Wool Textile Export Corporation of Great Britain. Direct sales to the trade are not made from this exhibit, although the "Ex" visitor can find from many samples the names of Canadian jobbers and tailors.

"Our aim is to show British woolens in delightful surroundings, artistically arranged, to the greatest possible number of Canadians, and the Canadian National Exhibition is ideal for this purpose," explained Ralph E. Masters, assistant-secretary to the Corporation.

No Letup for '54 In Defense Layout

How The Program Now Shapes Up, What's In Store For Key Industries, Where Production Cuts, Increases To Come

OTTAWA (Staff)—Chances of any sharp reduction in defense spending next year now look slim.

This is one of the questions that ministers will have to tackle soon. But present indications are that the Cabinet will find it difficult to bring 1954-55 defense expenditure—the fourth year of the rearmament program—much, if at all, below this year's level of nearly $2.1 billions.

This is the dilemma the Government will have to face:

—On the one hand, all Canada's allies in NATO, including even the U. S., are talking about cutting their defense budgets. The original "three-year effort," announced at the beginning of 1951, will expire at March 31 next year.

—On the other, the Canadian services themselves put next year's needs higher than the present year's. The original three-year effort has not sufficed to meet all the original goals. Many of the major programs still have one or more years to run.

Next year will be the fourth year of the rearmament program which was originally designed to cost $5 billions over three years. By March, 1954, the cost will have run $200-$300 millions above the original estimate of $5 billions. This is for the Defense Department alone. Defense production adds another $300 millions.

It is too early to state with confidence this year's short fall from estimates. It may be as little as $50 millions; it may be $100 millions.

In many lines of production, years of work and millions of dollars have been spent on factories which will not begin to produce until next year the full harvest of completed weapons and equipment.

If there are any savings on production, higher costs for operation and maintenance of the expanded forces could easily eat them up.

How Programs Stand Now

Here is the general status of the major programs of procurement, as it now appears:

Aircraft: This is much the largest item. It will take well over $400 millions this year, and next year's spending is not likely to be much lower. The rate of production of F-86 Sabres at Canadair may taper off next year; but Avro Canada will be going harder than ever on the Mark IV CF-100's and the latest Orenda engines. These are urgently needed for the air defense of Canada, and no let-up of production plans can be made.

Even this makes no allowance for new orders, such as the much-discussed Maritime Reconnaissance squadrons, nor for the purchase of fighters and sub-hunters for the aircraft-carrier Bonaventure.

Shipbuilding: The destroyer-escort program will reach an even more expensive stage next year, with increased work in the shipyards offsetting reduced work at some of the component makers. There may be some saving on minesweepers, and the reconversion of last-war vessels will have passed its peak. Some reduction in total cost should be possible, but it will not be very large.

Weapons and Ammunition: The gun factories, chiefly Sorel Industries Ltd., and the ammunition plants, chiefly Canadian Arsenals, should at last be delivering finished goods next year. The cost may not be much higher than this year, but it cannot be much less. The main difference is that there will be more to show for it.

Electronics: Next year will bring no significant reduction. Much of this program is geared to the production of aircraft and the installation of radar on the ground.

Tanks and Automotive Equipment: Tanks are a question of purchase from the U. K., not of Canadian production. Two of the three assembly lines for military-type vehicles are still running at a slow rate. But in the over-all picture this is becoming a relatively minor item.

Where Savings May Come

Major savings are in sight only in the three following classes. They are all lines in which this year's spending is well down from last year's, and in which next year's can be expected to be lower still. They are:

Clothing, Footwear and Textiles: The stockpile of these items for mobilization needs should be completed this year. Next year's requirements may be down to the

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Inside News

Billion-Dollar Industry
The outlook for Canada's billion-dollar pulp and paper industry. Here's a comprehensive Post report that details past performance and achievement and looks ahead by individual companies and by products. Important now, valuable for reference (pp. 33 to 68).

We're All On TV
Everybody's getting into the TV act. It's a boom that reaches into many industries, large and small. Who benfits, the bright outlook, pitfalls to watch (p. 17).

B. C. Air Battle
Two airlines are fighting for a big new prize in booming B. C.: the run between Vancouver and Kitimat. In the middle: the Air Transport Board. At stake: government policy on airline competition (p. 7).

Backbush Genius
How backbush genius has paid off for a select few in Manitoba. It took a full moon, Indian lore and a little bailing wire. A fascinating account of little-known enterprise (p. 17).

Real Estate Boom
The boom in real estate continues. What a nation-wide survey shows by areas in housing, commercial properties (p. 11).

U. K.-U. S. Differences
How Britain's left-wingers are exploiting current Anglo-American differences—and other sidelights on the British scene. Your Letter from London (p. 32).

TSE Member Loses License Due To 'Unethical Conduct'

Registration of Picard & Fleming, a member of the Toronto Stock Exchange, has been canceled by the Ontario Securities Commission for "unethical conduct" and membership on the TSE of Irving R. Picard, senior partner, has been suspended by the Exchange.

Cancelation of the registration is subject to appeal. The firm has 30 days (from Sept. 8, date of cancelation) in which this appeal may be made.

According to OSC findings, Picard & Fleming had accepted placement of orders by an investment counselor, Hugh B. McKibbon, whose license has since been revoked. In carrying McKibbon's account, it was stated, Picard & Fleming also extended a line of credit without charging interest against the debit balance contrary to the bylaws of the Exchange.

In its decision, OSC reviewed 10 different cases in time sequence. One involved a housewife who had acquired about 20,000 shares of a speculative stock includin, 18,000 purchased through Picard & Fleming. In 159 files of some 2,400 in the McKibbon records, examined by OSC, it was found that 85 had become clients of Picard & Fleming shortly after becoming clients of McKibbon. These 85 individuals purchased over 300,000 shares of stock through Picard & Fleming in a six-month period.

The Toronto Stock Exchange through its president, George L. Jennison, issued the following announcement:

"Upon receipt of notice from the Ontario Securities Commission that the brokerage registration of the member firm of Picard & Fleming had been canceled, a special meeting of the managing committee was held pursuant to the bylaws and Irving R. Picard, the member concerned, was suspended. An announcement to that effect will be made from the rostrum at the opening of trading tomorrow (Wednesday).

"Some time ago certain matters in connection with the methods of operation in the member firm came to the attention of the Ontario Securities Commission and was referred by the Commission to the Exchange auditor and his staff. Shortly thereafter, the Commission reported that in view of further evidence it became necessary to have a complete and comprehensive investigation of the operation of the firm by the Commission's own staff and in order to avoid duplication and by arrangement, the investigation by the Exchange was discontinued.

"Recently the result of the Commission's investigation was reported to the Exchange and was reviewed by the Managing Committee. As stated above the suspension followed immediately upon the action of the Commission in canceling the registration of the firm."

Stock Market Highlights

Mines

Golden Manitou sells down to $2.01 Tuesday on heels of latest break in zinc price of half cent a lb. to 10½ cents. Once at $3.95 this year.

Marbenor Malartic Tuesday's most active trader on news of sale of 200,000 shares at 25 cents. Up 4 cents at 34 cents.

Nudulama a strong Bathurst camp stock in recent weeks touches $1.05 on Tuesday; 82 cents Sept. 4. Reason: Bathurst's "longest and strongest" anomaly outlined; with latest work suggesting it may make ore.

Eastern Metals firms to close to $1.50 mark this week (around $1 a few months back). Reason: crosscutting nearing the ore zone at new 450-ft. level.

Industrials

Lawson & Jones traded at $24½, a record high up from $14½ in April, on small volume. Range last year $14¾-$10⅜.

Great Lakes Paper common climbed $3 in week to year's peak Tuesday ($21) then sold off to $18½ on St. Lawrence Corp. denial of possible merger or offer for Great Lakes shares. "Never considered, none contemplated."

Anglo-Can. Plan Provides For Dryden Stock Option

President E. Lorne Goodall of Dryden Paper Co. stands to receive a capital benefit of close to $175,000 through the proposed purchase of Dryden shares by Anglo-Canadian Pulp & Paper Co.

Anglo-Canadian Pulp & Paper has called a special general shareholder's meeting for Oct. 5 preparatory to new preferred stock financing in connection with the Dryden purchase.

Shareholders will be asked to sanction the issue of up to 215,000 no par value common shares of Anglo-Canadian to holders of Dryden stock who take up the offer.

There were only 205,000 common shares of Dryden Paper outstanding at Dec. 31, 1952 and no further issue of shares has been reported since. But at the end of July this year, Dryden announced it had granted an option to Mr. Goodall on 5,000 shares at $33½ a share and 5,000 at $40 a share, exercisable from June 25, 1953 to June 25, 1958. The stock traded in July at $31.

This proposal to authorize issuance of 215,000 Anglo shares, therefore, indicates that the company is making provision for the taking up of the Dryden president's option.

The announcement of the stock option came just before Dryden shares jumped to $50 a share on Aug. 11 on rumors of a deal involving Anglo-Canadian (The Financial Post, Aug. 15). This was an increase of $15 in one day.

On Aug. 19, J. R. S. McLernon, a director of Dryden, announced that a majority group of Dryden shareholders had accepted an Anglo-Canadian offer of $35 plus one Anglo share for each Dryden share. Dryden shares moved up to around $55, slipped back subsequently to $53-$54 range.

Elliott Little, president of Anglo-Canadian and a Dryden director, was prominent in wartime as national labor administrator and is a leading figure in the pulp and paper industry. He is a brother-in-law of Mr. Goodall.

Goodall went to Dryden from Provincial Paper Co. about six years ago, was made managing director effective Aug. 1, 1947 and president in the 1949-50 fiscal year. Elliott Little became a director of Dryden Paper during the year ended Sept. 30, 1948.

At $54 a share, the stock placed under option to the Dryden president this year would have a market value of $540,000. The cost of the shares at the option price would be $367,500, indicating a potential capital gain of $172,500.

In the summer of 1947 Dryden Paper announced that under a contract dated May 10, 1947, an option had been granted to Goodall on 10,000 shares at $19 a share, the approximate market price at the time the option was granted. Price range that year was $33⅜-$17, and by Dec. 1, 1947, 2,000 of the shares had been taken up.

In February, 1948, it was announced that 20,000 shares had been sold at $25 a share to an undisclosed corporation not previously a shareholder. A further 10,000 was sold at the same price to a company which was then a shareholder, company announced in June. Elliott Little was shown to be a Dryden director for the first time in the annual report for the year ended Sept. 30, 1948. Price range of the Dryden common in 1948 was $29-$25.

In the annual report for the year ended Sept. 30, 1951, the balance sheet showed 23,000 shares issued for cash during the year, and the stated value of the no par value common was $542,000 higher than at the previous year end.

Of this, $152,000 would represent the remaining 8,000 shares under option to Goodall at $19. That left 15,000 shares to an undisclosed company or persons at $26 a share. Price range in 1950 $30½-$15; 1951 $40½-$28.

No further changes in capital stock have been reported since that time.

Net profits have risen since Goodall joined the Dryden firm. Net profits 1947-52 follow: $396,213, $682,548, $155,627, $450,432, $1,236,758, $1,098,285. First half net this year was $371,698 vs. $698,079 the previous year.

ANNOUNCING

Canadian Credit Men's Trust Assn. Ltd. (Toronto)—Wm. J. Toll, manager, new London, Ont., branch.

Canadian Pacific Airlines (Vancouver)—R. L. O'Brien, sales superintendent.

Canadian Petrofina Ltd. (Montreal)—G. B. Longhurst, general manager-marketing.

Cunard Steam-Ship Co. (Montreal)—Thomas G. Miller, passenger traffic manager for Canada.

Dawmac Mining & Oils Ltd. (Montreal)—Allen A. McMartin, director.

Excelsior Life Insurance Co. (Toronto)—M. K. Kenny, assistant general manager and director of agencies; A. W. Johnston actuary.

Hallicrafters Canada Ltd. (Toronto)—Robert L. Russell, vice-president and general manager; F. W. Bardgett, vice-president-sales.

Montreal Trust Co. (Montreal)—R. K. Johnston, assistant general manager in Toronto.

Peel Investment Corp. (Montreal)—S. Y. Decarie, president; A. Charlebois, secretary-treasurer; E. Kellert, director.

Provincial Engineering Ltd. (Niagara Falls)—D. A. Barnum, manager, new transmission tower division.

Shawinigan Chemicals Ltd. (Montreal)—P. W. Blaylock, vice-president-development.

T. S. Simms & Co. (Saint John, N.B.)—C. W. Reynolds, Warren Reynolds, directors.

Walter G. Hunt Co. (Montreal)—G. O. Shears, vice-president.

Yardley of London (Canada) Ltd. (Toronto)—B. W. McLean, advertising manager.

Can Thank Capital Inflow For Balance Of Payments

OTTAWA (Staff) — Canada throughout this year, has been depending on inflows of capital to balance the substantial deficit in international payments on current account. The nature of these capital movements in the first half of the year is revealed for the first time in the first quarterly report of the balance of payments to be issued by the DBS. Quarterly reports are promised regularly from now on.

The capital inflow in the first half of this year has been exceeded in recent years only in the first half of 1951. It amounted to $184 millions in the first quarter and $181 millions in the second quarter. This balances the current account deficit which amounted to $365 millions on the six months, compared with a surplus of $69 millions in the first half of 1952. On the 12 months ended June 30 the over-all deficit was $283 millions.

The change from surplus to deficit was almost entirely due to trade. It was the result of the booming imports and the decline in exports, mainly in price but partly in volume. Invisibles — tourist expenditures, interest payments, freight and shipping — turned against us rather more sharply in the second quarter of the year; but the adverse balance in this sector was not greatly changed from last year.

U. S. Oil Dollars

The backbone of the capital inflow was again direct investment of U. S. dollars. Total direct investment is estimated at $90 millions in the first quarter and $75 millions in the second. About three-quarters of this went into mining and oil and the transportation facilities required for these industries.

Dealings in portfolio securities showed no such steady inflow. In the first quarter there was an inflow of $97 millions, mainly due to new issues of Canadian securities amounting to $111 millions. But in the second quarter, Canadian issues were down to $50 millions, and the Government repurchased $75 millions of the 3% external loan of 1948. Trade in outstanding Canadian securities also turned against us; and the net result of the quarters' security dealings was in outflow of $76 millions.

Official reserves were reduced by $91 millions in this second quarter — mainly because of the loan repurchase—and throughout the first half of the year there was a marked increase in foreign holdings of Canadian dollars. The DBS remarks only that much of this increase in dollar-holdings "is known to have been committed for special transactions in the third quarter."

The third quarter saw British payments of $39 millions, as the first repayment on the new basis of the war-time interest-free loan. The U. K. Government has also paid $20 millions on its loan to Alcan. These payments will show up in the third quarter figures and may largely offset the increase in foreigners dollar-holdings in the earlier part of the year.

The New Tool

With this official evidence now available it is possible to follow more closely the movements of the foreign exchange market, and see why the dollar declined as it did in the first half of the year—and particularly why it did not decline more. The reports on capital movements, DBS states, cannot be quite as complete or accurate on a quarterly basis as for annual figures.

No New Tariff Bargains By Canada at GATT Meet

(Continued from page 1)

GATT affairs from the very beginning. Dr. Claude Isbister, head of the International Trade Relations Branch of Trade and Commerce, will be the senior official going from Ottawa: he was also a leading Canadian negotiator at previous sessions.

U. K. Food Request

One obstacle to the prolongation of GATT just as it now stands is a U. K. request for special consideration in the matter of imported foodstuffs. It is a relatively minor request, and Britain is not seeking any major revision of GATT.

The problem arises from the GATT clause forbidding increases in the margin of preference as between Commonwealth and foreign countries. Under previous tariff bargains U. K. ended up with a particularly long list of items which were "bound" against tariff increases.

Compared with Canada, for example, it has a relatively short list of "unbound" items on which it is still free to raise tariffs. Moreover many of the "unbound" items cover goods on which the British preferential tariff already allows free entry into U. K. So far as GATT goes, U. K. is free to raise its tariff on these items, but the increase must apply equally to the British preferential and most-favored nation tariff scales.

This conflicts with the settled U. K. policy of allowing free entry of raw materials and foodstuffs from the Commonwealth and colonies. The U. K. Government is therefore seeking permission to raise duties of certain foodstuffs — mainly fruits and vegetables — which are imported from Europe, without also raising them on similar imports from the Commonwealth and Empire.

It is understood that the U. K. would undertake to consult with the foreign countries affected before raising specific duties; but general GATT approval will be required.

No Opposition Here

From Canada's point of view the British proposal is not likely to be opposed provided it does not open any wider loopholes. It might even help toward a reduction of more rigid restrictions like discriminatory embargoes. The only danger seen here is that any special consideration given to one country might open the door for a host of other special considerations for other countries. If this happened the primary aim—of maintaining the status quo—might be defeated.

The other major problem to be settled at Geneva is Japan's application for admission to GATT. The Japanese request has now been modified into a proposal for a sort of qualified, temporary membership until such time as a general round of new tariff negotiations can be held.

The Canadian attitude is bound to depend largely on the progress made in secret trade negotiations with Japan. These have been designed to discover whether there is a sound basis for trade relations between Canada and Japan, which would allow the Japanese to come nearer balancing their trade with us without a flood of imports offering unfair competition to Canadian manufacturers.

The GATT signatories are sure to have another discussion about U. S. violations of the agreement, such as the embargo on dairy products. They will no doubt find plenty to say about U. S. breaches; it is more doubtful that they can find anything to do about it.

A further question-mark for Canada is whether Cuba will again take up the question of its assured market for sugar in Canada. Canadian trade with Cuba was, in 1951, virtually made dependent on the guarantee to purchase 75,000 tons of Cuban sugar in the three years 1951, 1952 and 1953—a guarantee which Canada gave, although it was out of step with normal principles of trade policy.

Now the terms of the proposed International Sugar Agreement (The Financial Post, Aug. 29) make it doubtful whether Cuba will want this special arrangement continued.

Admiral TV Lops $70 Off '54 Table Models

Canadian Admiral has moved a 26th model into their new TV television line. It's a 21-in. table model, priced at list of $299.95—$70 lower than the former model in the 1953 line.

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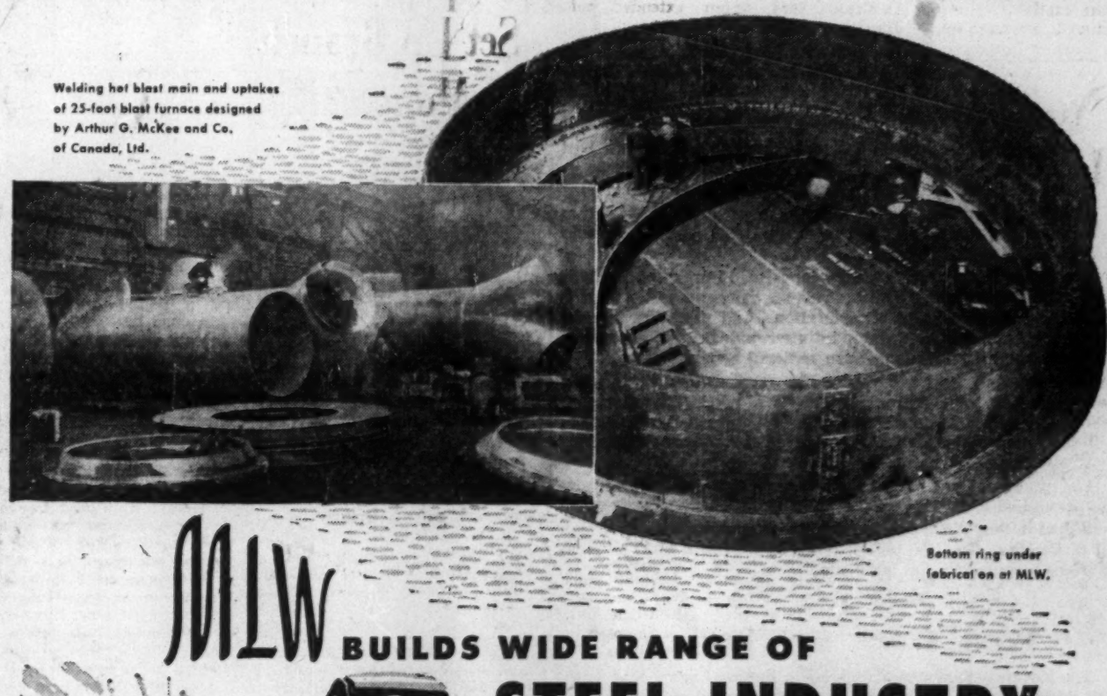
BANK OF MONTREAL

ML-143

Welding hot blast main and uptakes of 25-foot blast furnace designed by Arthur G. McKee and Co. of Canada, Ltd.

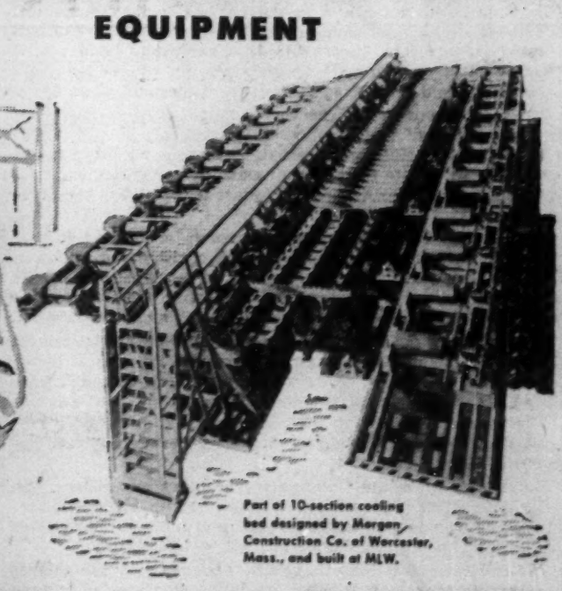


Bottom ring under fabrication at MLW.

MLW BUILDS WIDE RANGE OF STEEL INDUSTRY EQUIPMENT

Here is a partial list of equipment built at MLW for one of Canada's largest steel mills.

BLAST FURNACE COMPONENTS
COOLING BED
BROADSIDE TRANSFER TABLE
"Y" TRANSFER TABLE
"BX" TABLE
TWIN APRON CONVEYORS
TWIN COOLING COIL CONVEYORS
FURNACE PUSHOUT
MILL APPROACH TABLE
CHARGING CONVEYOR
SEPARATING SKIDS



Part of 10-section cooling bed designed by Morgan Construction Co. of Worcester, Mass., and built at MLW.

MLW

For further information, consult:-
Industrial Division
MONTREAL LOCOMOTIVE WORKS, LIMITED
MONTREAL QUEBEC

The Gas Scramble

(Continued from page 1)

stating Ontario's preference for a supply of Western Canadian gas for the whole province, and — in effect — putting it up to Ottawa to stop the import scheme for Toronto only."

Reinforcing the case for restricting U. S. imports was an examination of the Federal Power Commission's conditions as to the price at which U. S. gas might be sold to Toronto. Although the F.P.C. decision did not fix a firm price, estimates made here indicated that the cost at Toronto city gates would be not the 53 cents originally stated but a minimum of nearly 60 cents.

It was also clear that the price for U. S. gas would not decline, but rise, over the years. In these conditions it was confidently felt here that Western Canadian gas could be laid down in Toronto cheaper than U. S. gas.

An alternative to a complete import ban was to offer Consumers Gas the chance of bringing in its U. S. gas on a strictly temporary basis until the All-Canadian line could be built. Once imports were under permit, such conditions could be imposed.

If Consumers Gas thought it worthwhile to build their Niagara-Toronto line to carry two or three years' imports, then the flow could be reversed after western gas came through. The Consumers' line could at least serve the Niagara Peninsula with Alberta gas; and if there were any spare supply in the early years of operation and the F.P.C. would admit it, it might also serve Buffalo until Canadian demand was built up.

Agreement with Alberta

The main reason for the present confusion appeared to be the lack of accord between Alberta and the Federal government. The danger seemed to be that the Alberta Conservation Board might find that its accessible reserves available for immediate export amounted to less than is needed for an all-Canadian line, but they might be enough to serve Western Pipelines Winnipeg-Minneapolis market. If the Alberta decision went that way, the Federal government would still be stuck with its declared policy against allowing export until eastern Canada is served. It would either have to back down or to forbid export to Minneapolis. If it banned export, there would be a deadlock damaging both to Alberta producers and to Canadian consumers.

Such a deadlock, it was believed by many people here, could be averted if the Federal Government told Premier Manning of Alberta in advance that it would have to be an All-Canadian line or nothing. This would put the Alberta Government in the position to request assurances that the capital cost of the All-Canadian line would not be excessive —tax rebates would be a consideration here — and that the return to the Alberta producers would be adequate. Given such assurances, the Federal information about gas reserves indicated that Alberta could quite safely find enough accessible gas for the All-Canadian line.

An opportunity for a personal meeting of Premiers Manning and Frost with Federal ministers will be the meeting of provincial mines ministers' at Niagara Falls on Sept. 16. It is unfortunate from this point of view that Trade Minister Howe is due to leave for the GATT meeting at Geneva on Sept. 15.

Here's The Act Which Might Stop Imports

OTTAWA (Staff)—The Export and Import Permits Act which might be considered as authority to regulate imports of natural gas from the U. S. became law in May, 1947.

It empowers the Cabinet by order-in-council to issue a list of goods which may not be exported without a permit, and another list of goods which may not be imported without a permit. It is the authority under which the government restricts exports to Iron Curtain countries.

It lays down three kinds of goods to which import permits may be applied, and two of the three categories might be used to cover natural gas. They are:

(a) When "by reason of the scarcity in world markets or governmental controls in the country of origin or allocation by intergovernmental arrangements of such articles, it is necessary to regulate or control the import of such articles for the purpose of ensuring the best possible supply and distribution of the article in accordance with the needs of Canada."

(b) Articles which are price-supported in Canada.

(c) Articles whose "production, supply, distribution or use is restricted or otherwise regulated under the authority of any act of Parliament."

Once such articles are placed on the list to require a permit, they come under Section 6 of the Act, which says:

"No person shall import or attempt to import into Canada any goods included in the list (or any goods from a country named in another list) except under the authority of and in accordance with a permit issued under the authority of and in accordance with a permit issued under this Act."

The Export and Import Permits Act expires on July 31, 1954, unless extended before then.

P. W. BLAYLOCK

has been appointed vice-president-development, Shawinigan Chemicals Ltd.

Anglo-Can. Plans Issue

(Continued from page 1)

share of Dryden. It had already been accepted by a group holding a majority of the outstanding Dryden stock.

Dryden has 205,000 common shares outstanding. As a result, if Anglo-Canadian acquired all these shares it would involve a cash outlay of over $7 millions. Issuance of up to 205,000 new Anglo-Canadian common shares would also be required, although here the actual number would depend also on how many Dryden shares the company may have acquired on the open market.

It's thought that a preferred share offering will likely be made publicly by a syndicate of dealers headed by Wood, Gundy & Co. If all 160,000 shares are sold at slightly under par, ample cash would be provided.

New Mining Empire Taking Shape In The Maritimes

(Continued from page 1)

Isaacs, Mr. Boylen's chief engineer, will be a vice-president.

Ore potential of the Brunswick-Anacon-Leadridge merger will be of almost monumental proportions. The Anacon-Leadridge ore deposit is conceded 35,000 tons to the vertical foot while the Brunswick M. & S. ore body has about 32,000 tons to the vertical foot. With these ore dimensions projected to only 1,000 ft., it is possible to estimate some 67 million tons of high grade lead-zinc-pyrite-copper ore.

The most modern techniques for treatment of ore and recovery of all possible by-products are now being investigated in several directions. When the question of research has more nearly reached a conclusion, a decision on the tonnage of ore to be handled daily and type of facilities will be made.

Both the Brunswick and Anacon ore bodies feature big widths, ultra low costs for open pit mining methods.

Under terms of the proposed merger — being submitted to Brunswick M. & S. shareholders Sept. 12—Brunswick which has 1,931,000 shares presently outstanding, will issue an additional 2,069,000 shares for the Anacon-Leadridge property of 78 claims, 239 further Leadridge claims to the south on which there is little development work, together with 212 claims owned by Mr. Boylen individually and by M. J. Boylen Prospector & Associates. This will bring Brunswick M. & S. issued capital to four million shares out of five million shares authorized.

Distribution of Shares

The 2,069,000 Brunswick shares to be issued under the merger will be distributed as follows:

—1,931,000 shares for the main Anacon-Leadridge property of 78 claims to be distributed as follows: 772,400 to Anacon Lead Mines (40% interest); 772,400 to Leadridge Mining Co. (40% interest); 382,200 to M. J. Boylen Prospector and Associates (20% interest).

—138,000 shares to Leadridge Mining Co. for 90% interest in 239 claims on which no conclusive work has yet been done.

Leadridge Mining Co., by contract, has an option on 13% of the 20% interest of M. J. Boylen Prospector & Associates in the Anacon-Leadridge group. Leadridge has given notice of its intention to exercise its option on the 13% interest mentioned so that the prospecting organization will only retain 135,170 of the 382,200 Brunswick M. & S. shares to be alloted to it.

The prospecting organization will not receive any additional consideration, beyond the 135,170 shares, for the remaining 10% interest in the 239 Leadridge claims which it is turning in to the merger or for 212 claims it owns outright and which are also being transfered to Brunswick M. & S. St. Joseph Lead, through Leadridge, emerges with 1,161,430 Brunswick shares or just over a 29% interest.

The merger, as consummated, relieves Anacon Lead Mines of the obligation of raising major finances to maintain its 40% stake in the Anacon-Leadridge group and gives the company 19.31% of the issued capital of Brunswick with two (rather than one) large ore bodies.

(Shown on separate map on page 29 are various properties involved in the merger which will give Brunswick M. & S. 529 claims or over 20,000 acres over and above its original property.)

Financing Arrangements

In a letter going forward to Brunswick shareholders, President M. J. Boylen outlines financing arrangements in the following terms:

"As an integral part of the whole plan, Leadridge Mining Co. has covenanted to lend your company $7.5 million on demand and requisition by your board of directors, the covenant remaining firm and subject to being carried out until Sept. 1, 1958. This loan, including both principal and interest at the rate of 5% is repayable out of earnings, with any unpaid principal maturing and falling due 1st July, 1968, regardless of earnings. The loan is guaranteed by the parent company of Leadridge Mining Co., namely St. Joseph Lead Co.

"In addition, this loan by the terms of the contract may be subordinated to additional financing to the extent of $17.5 million if such additional financing is required. Your board therefore feels justified in reporting to the shareholders that the complete financing of your company to the point of production has been definitely assured, and called a special meeting of shareholders to approve the plan."

Success in working out Bathurst camp financing reflects many months of negotiation by President M. J. Boylen and a study of a wide range of financing proposals by various interests. Mr. Boylen, who is generally regarded as responsible for the Bathurst camp, feels that the best deal possible was secured and that an outstanding board of directors has been arranged to accomplish the large undertaking involved.

Leadridge, under the agreement, will nominate the active manager of the operation to carry out the orderly development of the property under the control of the board of directors.

With the new financing completed, Brunswick Mining & Smelting will be in a position to proceed with active preparations looking towards production as soon as the green light on metallurgical processing is obtained.

Availability of ore by open pi mining will be an important factor in establishing production fairly rapidly while deliveries of equipment for plants such as Brunswick M. & S. envisage should prove quite satisfactory.

Iraq Bankers Set Up Branch In Montreal

MONTREAL (Staff) — Further evidence that Canada is now a magnet for capital from all over the world came this week with formation in Montreal of American Nile (Canada) Ltd., an offspring of Banque Zilkha, of Bagdad, Iraq.

The new firm, capitalized at $1 million, will handle short and medium-term commercial and industrial financing of medium-sized enterprises, including factoring (buying of accounts receivable). Plans are to provide both domestic and foreign financial service although, initially anyway, domestic activity will probably be confined largely to the Montreal area.

Many Activities

American Nile (Canada) will not actually invest in Canadian firms. It will finance trade and its federal charter takes in a wide variety of activities.

The charter permits the company to act as exporters, importers, wholesalers, factors, forwarders and merchandise carriers in all forms of mercantile business; to buy, sell, store, transport, export, import and generally deal in all raw, processed and finished products and materials as well as ingredients, supplies and commodities that can be exported and imported; and to act as agents, brokers, commission agents, representatives, managers, vessel, cartage and steamship agents, ship brokers, warehousers and customs house brokers.

The new Canadian firm, whose stock is all privately-owned, is an affiliate of American Nile Corp., a New York organization set up about 10 years ago to deal in foreign exchange and precious metals and to finance commercial enterprises on the international level.

Widespread Operations

Banque Zilkha, the parent organization, was founded in Bagdad in 1899. It soon expanded its operations through Lebanon, Syria and Egypt, then set up offices in Paris and Geneva and subsequently formed its New York organization. It is widely known as a merchant banker throughout the Middle and Near East and the U. S.

Officers and directors of the Canadian company, now in business, include: K. A. Zilkha, president; S. E. Bashi, vice-president; Abram Safdie, vice-president and treasurer; B. M. Bloomfield, secretary; E. K. Zilkha; and W. O. Elliott (formerly with the Dominion Bank in Montreal), Canadian manager.

No Letup For 1954 In Spending For Defense

(Continued from page 1)

current requirements of the armed forces.

Construction: This year's expenditure for new construction will be well below last year's. The carry-over of orders into next year will be of the order of $50 millions. In addition there is bound to be some new expenditure for army camps. But the total for next year may be only about half this year's estimate of $224 millions.

Capital Assistance: This year's vote is only $60 millions, compared with last year's $80 millions. Little of it has gone into financing new plants. That stage, in general, has been passed. Unless some big new program now unforeseen require the establishment of new factory facilities next year, capital assistance should be a much smaller item.

Against the savings which may be made on new procurement, the cost of maintaining and operating the defense forces is going up. They have more men. They have more equipment, and it is in nearly every case more expensive. Repair and overhaul, particularly of aircraft, will become a big item next year.

To a certain limited extent, personnel costs and operation and maintenance expenditures can be controlled. The expansion of the forces could be checked by greater selectivity in recruitment. On the other hand, an increase in pay scales may well be required in the near future. It would apply particularly to trained men and those with technical qualifications.

Operational costs can always be reduced by the simple expedient of curtailing naval cruises, reducing the hours of flying practice, and limiting army manoeuvres. The problem is to decide how far such limits can be imposed without reducing operational efficiency.

PRICES

Crude rubber—decline to 23c per lb. landed compared with 26c per lb. on May 5.

White pigment — anatase and rutile pure oxide grades advanced $1.70 per 100 lb. including Canadian duties. Composite grades advanced 40c per lb. on same basis. Canadian lead carbonate and lead sulphate advanced a total of $1.20 per 100 lb. in five jumps since April 20.

Coffee—fresh roasted and ground up 2c per lb. in Ontario following similar rise in West. Frost on Brazilian crop said cause.

Honey—price advances of as much as $1 per lb. in sight in East as total Canadian crop predicted down by 40% over last year following cold weather early this season.

B. C. Power Program Totals $28.5 Millions

Construction program of British Columbia Power Corp. for the current year is expected to total $28.5 millions, of which some 90% will be for electric service.

The height of the LaJoie dam is being increased by stages to permit greater capacity at its Bridge River plant, with completion scheduled for 1956. Substantial additional storage will also be available next year.

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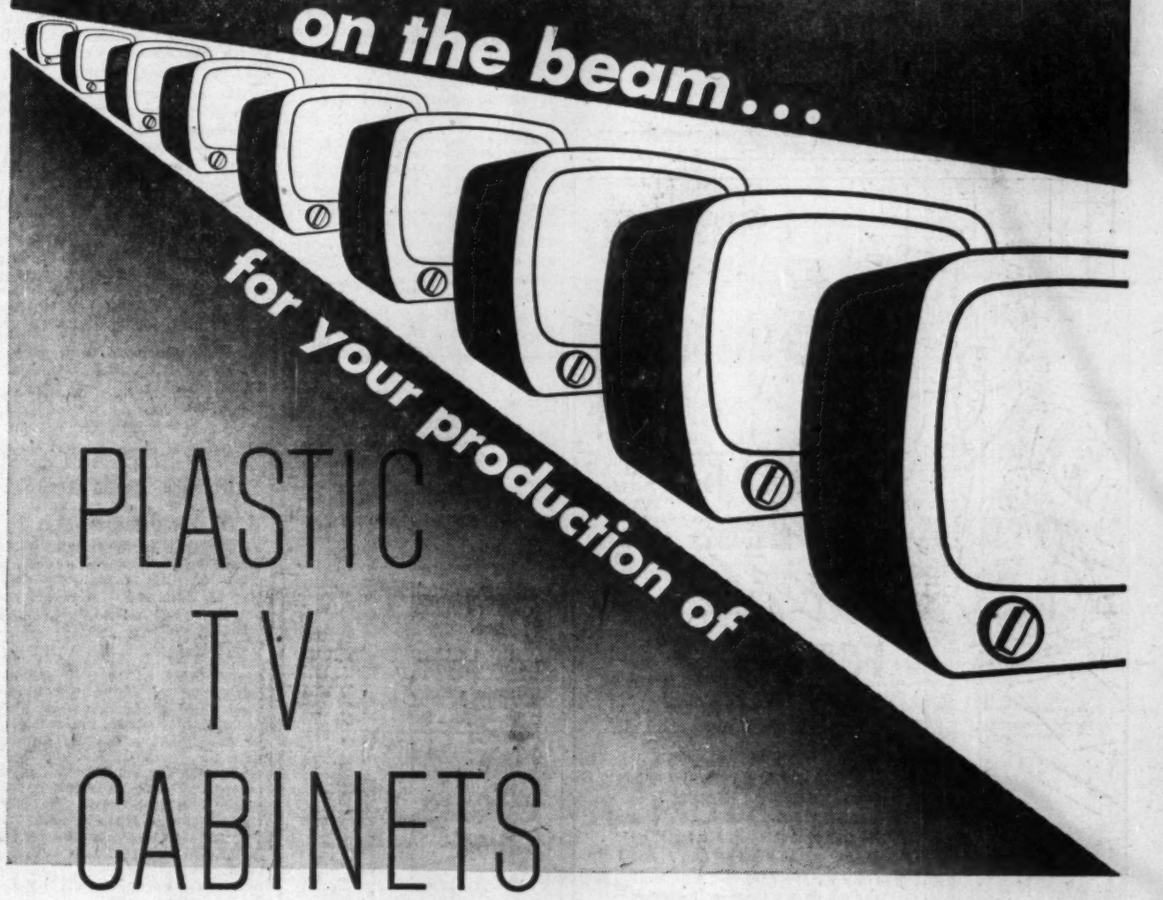

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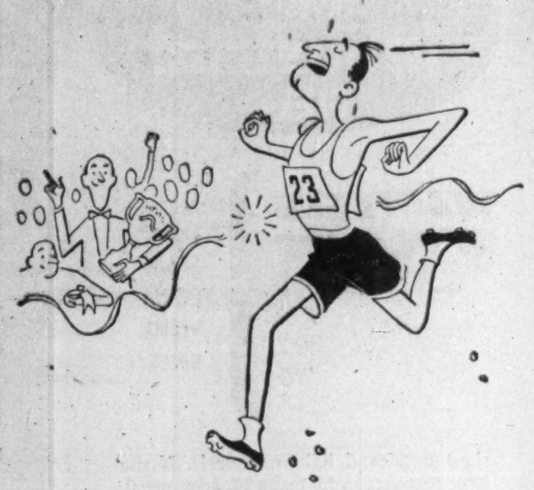

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POWER CORP. By PAUL DEACON

How Investments Shifted Around

Just how is an investor's money used and where does it go when it is put into a big holding company? Like Power Corp. of Canada, for instance?

Power Corp. stockholders, getting their annual report for the year ended June 30, 1953, saw where their money is now. They saw also that book value of the company's holdings had jumped nearly $4 millions or 13% in the year.

The company first listed the companies in which it had investments in the annual report last year, and this has been a great improvement over previous years.

Because Power Corp. is not a straight investment company, it does not list all the changes in its holdings, however. For instance, it does not state what specific securities are held or the figure at which each is held.

However, the report showed few major changes in the character of the company's holdings (19 major investments).

Here's what an analysis of the report shows:

The total book value of investments was shown to have increased by nearly $4 millions or 13% (from $30,218,261 to $34,027,899) and the market value by $1.2 millions or 3% (from $41,096,472 to $42,319,030).

Biggest single investment, based on market value, was in Southern Canada Power ($6.3 millions) followed by Canadian Oil Cos. ($6.2 millions), Bathurst Power & Paper ($4 millions), British Columbia Power Corp. ($3.8 millions) and Canada Northern Power ($3.6 millions). These are roughly the same ranking as a year ago, with Southern Canada on top instead of Canadian Oil Cos.

Power Corp. is believed to have increased its investment in Bathurst Power & Paper. The market value of its Bathurst holdings was shown to have increased by $100,000, or 2.6% despite a decline in the market value of this company's securities between June 30, 1952, and June 30, 1953.

The company also showed a smaller market value for its investment in Foreign Power Securities, noted in the report as having redeemed all its outstanding 6% first mortgage bonds April 15, 1953.

The market value of its investment in Frobisher Ltd. was also down by just over half. This is a much greater percentage decline than has taken place in the market for Frobisher common, which at the end of June was selling about 17% below the level of a year earlier, indicating that Frobisher holdings have been reduced considerably.

The report indicates that the company has kept in liquid securities most of the proceeds of sale of its interest in Winnipeg Electric Co. early this year.

It's estimated that the company received about $2.25 millions in cash plus certificates of interest in Winnipeg & Central Gas Co., for the interest it formerly held in Winnipeg Electric Co.

The company has held on to its certificates of interest of Winnipeg & Central Gas "as future expansion appears to be probable when gas becomes available to the distribution system of Winnipeg and surrounding areas via a west-to-east pipeline."

It doesn't go into further detail on the effect of the Winnipeg Electric deal on its holdings.

Government of Canada bonds valued at $1,975,000 are shown, against none last year, but cash was down at $540,000 against $1,483,000 a year earlier.

Very little change was shown in the balance sheet in Power Corp.'s investment in subsidiary and affiliated companies but "other investments" rose from $10,506,000 to $14,460,000. The government bonds probably accounted for half the increase, and a large part of the remainder may have gone into Bathurst Power & Paper.

Bathurst class "B" shares' market value dropped more than 37% during the 1953 fiscal year, which would leave room for a sizeable additional investment to bring the market value in this company to the figure shown at June 30, 1953.

Although there are fairly big changes up and down in the market value of holdings in other companies, most can be accounted for by the swings in market value of the common shares of these companies (e.g. Anglo-Canadian Oil, Brazilian Traction, Canadian Celanese, Royal Bank, Shawinigan, and Southern Canada Power common stocks have changed in price almost exactly the same amount, percentagewise, as Power Corp. holdings in these companies).

Here is a list of companies in which Power Corp. is interested, with the changes in market value during the year ended June 30, 1953:

	Market Value June 30, 1953 $	June 30, 1952 $	
Ang.-Cdn. Oil ..	1,014,300	1,358,280	—25.3
Bath. P. & P. ..	3,978,094	3,878,372	+2.6
Braz. Traction ..	678,000	736,986	—8.0
B. C. Pwr. Corp.	3,779,775	3,389,750	+11.5
Can. Nor. Pwr. .	3,601,102	3,229,516	+11.5
Cdn. Celanese ..	1,176,000	1,732,500	—32.1
Cdn. Oil Cos. ..	6,229,313	5,581,152	+11.6
Cdn. Pwr. & Pap. Secs.	354,150	386,550	—8.4
E. Koot. Pwr. ..	1,468,344	1,581,634	—7.2
For. Pwr. Sec. ..	278,335	446,473	—37.7
Frobisher Ltd. .	297,500	625,100	—52.4
Govt. of Can. b.	1,975,000	.....	.....
Intl. Utilities ...	530,000	598,400	—11.4
Roy. Bk. of Can.	1,046,100	892,500	+17.2
Shaw. W. & P. .	1,026,000	1,140,750	—10.1
Sth. Can. Pwr. .	6,314,315	4,906,840	+28.7
Super-Pwr. Cp. .	1,346,158	1,346,158	nil
355 St. James St. W.	410,000	410,000	nil
Wpg. & Cen. Gas	348,125	.....	.....
Wpg. Electric .	nil	1,921,650	—100.0
Misc.—subject to variation. .	2,098,419	2,534,805	—16.9
Adv. to subsids.	4,370,000	4,409,103	—0.9
	42,319,030	41,096,472	+3.0

New-Type Diesel Cars For CPR

MONTREAL (Staff)—Canadian Pacific Railway has placed a small order for a new type of self-propelled railway carriage which will give passengers a better look at Canadian scenery.

The six stainless steel, diesel-powered units, the first to be ordered by a Canadian railroad, are due for November delivery from Budd Co., Philadelphia. They will be used on runs between Toronto and Detroit, Montreal and Mont Laurier and on the North Bay-Mattawa-Angliers service in Northern Ontario.

The cars are air-conditioned, with wide picture windows and cheerfully decorated interiors. Powered by two 275 hp GM diesel engines, they can reach a top speed of 85 mph, accelerating to 40 mph within one minute after starting. Seating capacity of four of the units is 89. The others seat 48, but also provide a 32-ft. compartment for baggage, express and mail.

CPR placed the order following extensive studies and the successful trial operation of a demonstrator car on the Laurentian mountain run out of Montreal early this year.

COMPANY REPORTS

Merchandising

OFFICE SPECIALTY MANUFACTURING CO., Newmarket, Ont., net profit of $412,837 for year ended May 31, 1953, was 8.7% higher than previous fiscal year's net of $379,624.

Higher volume brought an increase of $163,000 in sales, reports President G. L. Manning. Capital expenditures of $201,000 included completion of Vancouver branch, partial cost of adding a water tower and sprinkler system in the Holland Landing plant, and other expenditures for machinery and equipment.

"Outlook for continuation of the present volume of sales appears reasonably good," says the president. "Present manufacturing and warehouse facilities are barely adequate and any further increase in volume of sales will necessitate immediate expansion of the Holland Landing plant."

Annual meeting is Sept. 21.

INCOME ACCOUNT

Years Ended May 31:	1953	1952
Oper. profit	$934,670	$925,408
Add: Income from invest.	9,000	9,115
Less: Deprec.	100,833	104,899
Taxes	430,000	450,000
Net profit	412,837	379,624
Less: Divds.	103,968	86,640
Surplus for year	308,869	292,984
Earnings per Share and Dividend Record:		
Earned	$2.38	$2.19
Paid*	0.60	0.50

*Co.'s report includes profit of $6,356 ($0.037 per sh.) in 1953 and $3,368 ($0.019 per sh.) in 1952 on sale of fixed assets.

*Including 20 cents payable June 1952; 10 cents payable June, 1953.

CONDENSED BALANCE SHEET

As at May 31:	1953	1952
Cash	$35,772	$8,332
Dom. govt. bonds† ..	301,750	301,750
Accts. rec.	663,263	549,546
Inventories	1,343,308	1,400,958
Life ins. c.s.v.	11,768	11,014
Total curr. assets .	2,356,361	2,271,600
Prepd. exp.	41,634	38,306
Misc. assets	35,658	36,169
Fixed assets*	1,195,327	1,103,447
Total assets	3,828,980	3,449,522
Bk. overdraft	188,051	45,974
Accts. etc., pay.	444,821	505,338
Div. pay.	17,328	34,656
Total curr. liab. ..	650,200	585,966
Capital stock	577,600	577,600
Surplus	2,601,180	2,285,956
†Market value	288,812	290,875
*After deprec. of ..	1,345,189	1,478,062
Working capital	1,906,161	1,685,634

Quebec Trade, Governm'ts Level Equalization Blasts

MONTREAL (Staff) — "If a freight rate equalization policy proposed by the Board of Transport Commissioners goes into effect in Canada, traditional trade relationships will be destroyed, with the Province of Quebec, and Montreal in particular, suffering severe economic damage."

That is the substance of the three major briefs which will be submitted to a regional meeting of the Board of Transport Commissioners in Montreal next week. The hearing will be one of the last in a cross-country tour by the Board in connection with its decision of December, 1952, on the equalization of freight rates.

The briefs, prepared by the Province of Quebec, the City of Montreal and the Montreal Board of Trade, all urge the maintenance of the present rate-making system, under which rates from all points within the area bounded by Sault St. Marie, Sudbury, Capreol, Windsor, Montreal and Quebec City, to Western Canada are equal. The Board of Transport Commissioners intends to break this large "rate grouping" into much smaller units, so that various shipping points will reap the benefit of their geographical location.

For "Blanket" Rates

"On previous occasions the Board of Transport Commissioners itself has specified that mileage is not the only and necessarily conclusive factor governing reasonableness of rates. The "blanket" rates enable the seller to compete and the buyer to secure his materials at various shipping points (within the group area) and have afforded both the opportunity of unrestricted selling and purchasing possibilities," the Montreal Board of Trade submission states.

Statistics provided by the trade group show that under the proposed terms of equalization, the first class rate between Toronto and Winnipeg, for example, would be reduced from $4.37 per 100 lbs. to $3.99, while the rate between Montreal and Winnipeg would be increased from $4.37 to $4.40.

The City of Montreal brief points to the building of the St. Lawrence Seaway which "sooner or later must inevitably draw from Quebec certain industries, or at least shift the emphasis of production.

"It would hardly seem the time to remove from this area the one advantage which has existed since early railroad history and which has helped to build it up," it says.

The Province of Quebec submission recommends that no part of the equalization principle be put into effect until all its implications have been exhaustively studied and that the Board should seek express authority from Parliament before making any changes. The brief also raises several legal questions that would be involved in implementing equalization and urges the Board, to submit a reference to the Supreme Court about them.

"The main objection apparently sought to be remedied by equalization was the fact that western rate levels were higher than those prevailing in the east," the brief states, adding that this "is not practical where serious water and truck competition exists.

"A strict application of equalization is theoretically impossible, as clauses and competitive rates are necessary, and it would have an unequal impact on various areas, as well as on the national economy. Devices such as arbitraries, groupings and exceptions are thereof necessary," the Quebec brief concludes.

Seagrams Pays $10 Millions For UDL Assets

MONTREAL (Staff) — The price which Distillers Corp. Seagrams Ltd. will pay for the assets of United Distillers of Canada Ltd. has now been determined by the auditors, Price Waterhouse & Co., as $10,156,046, UDL reports.

Besides this agreed amount, Seagrams will assume UDL's current liabilities and will also provide a sum sufficient to meet any tax liability payable by UDL in taking advantage of Section 95A of the Income Tax Act. But Seagrams will not assume any obligation in connection with current lawsuits against four UDL directors as individuals, to which the company was made a party.

Sale of the British Columbia firm's assets, except those of a subsidiary, Princeton Brewing Co., was approved by shareholders last summer and was effective June 30. Price was to be set through an independent audit.

40 Bonds' Yield Averages 4.47%

The 40-bond yield average compiled on the basis of bond prices at Sept. 1 by McLeod, Young, Weir & Co. was 4.47%, compared with previous month's average of 4.46%.

Average yields on the provincial and municipal groups rose .02 and .03 respectively, while the industrial group average was off .01. Public utility bonds were unchanged.

Here is the performance by groups:

40 Bonds' Yield	Sept. 1/53 %	Aug. 1/53 %	Mar. 3/53 %	Sept. 2/52 %
10 Provincials ..	4.20	4.18	4.11	4.15
10 Municipals ...	4.73	4.70	4.64	4.61
10 Public util. ...	4.41	4.41	4.35	4.23
10 Industrials ...	4.54	4.55	4.44	4.25
40 Bond average	4.47	4.46	4.39	4.31
Can. 2½% 1968 ..	3.76	3.73	3.64	3.61
Average maturity:				
Years	14	14	14	15
Months	6½	7½	11	1

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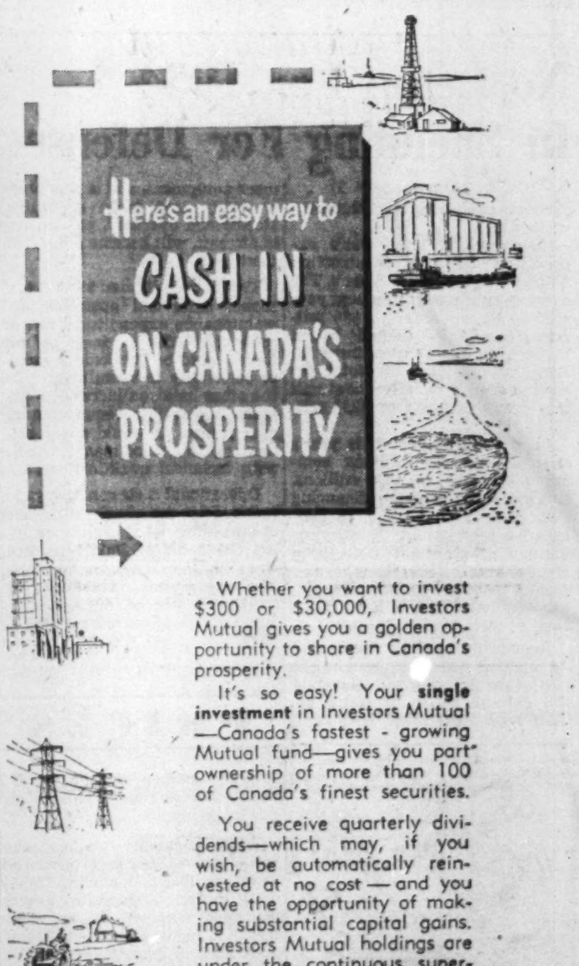

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Announcement

R. K. JOHNSTON

O. B. Thornton, President of Montreal Trust Company, announces the appointment of R. K. Johnston Assistant General Manager in Toronto. The President has stressed that this appointment has been made because of the increased expansion of the trust company's business in Ontario. Mr. Johnston, who came to Toronto from Vancouver, has been Manager of the Toronto Office in recent years.

What Can. Javelin Group Plans In Nfld.-Lab. Deal

MONTREAL (Staff)—A new business empire to explore mineral and timber resources in the Labrador wilderness and in Newfoundland was born in Montreal last week.

A syndicate headed by Canadian Javelin Foundries & Machine Works Ltd., Montreal, acquired control of the Provincial Government-owned Newfoundland & Labrador Corp. (NALCO) by the purchase of 1.5 million of the 2.5 million issued shares for $7.5 millions.

The deal, one of the biggest in Newfoundland history, heralds what Premier J. R. Smallwood describes as "a multi-million development of the last great storehouse of unexplored natural resources in the Western Hemisphere."

Javelin had previously held a 2,300-sq.-mile concession in Labrador from NALCO. It had undertaken to spend at least $1 million in the next three years exploring the area.

"Now," Javelin's president John C. Doyle told The Post, "we'll spend a lot more than that. Probably more than $1 million a year."

He said that exploration of the area had already indicated deposits of open pit wash ore, which would wash out to 60%-62% iron, and premium lump ore, running about 55% iron, as well as some 35 million cords of prime black spruce.

20 Drilling Crews

Mr. Doyle told The Post that within a week 20 diamond drilling crews would begin taking core immediately south of the Knob Lake mine of Iron Ore Co. of Canada and on both sides of the Iron Ore Co.'s railway connecting Seven Islands to its working.

The other main project due to begin this month is the search for a base of operations by John Murdock, of Quebec and Chicoutimi, said to be Canada's largest independent lumber operator, and one of Mr. Doyle's associates in the NALCO deal. Crews will check surveys of timber stands at Lake Melville, in the vicinity of Goose Bay airport, said Mr. Doyle. He indicated that suitable sawn lumber from this area might eventually be exported to Newfoundland and Europe. (Lake Melville is accessible by deepsea ships of fairly substantial tonnage.)

"It's physically impossible to explore such a vast area as the NALCO concession single-handed. I expect much of it will be done on a subconcession basis," said Mr. Doyle.

He added that NALCO's assets, while most spectacular in Labrador, also extended to Newfoundland proper. He pointed out that Newfoundland was one of the few provinces which allows export of pulpwood, and that this might eventually become a major operation.

He said that NALCO has already obtained favorable results drilling for fluorspar on the island's south shore and indicated that some cobalt, gold, copper and zinc was also found. Newmont & Mining Corp., American Zinc, Lead & Smelting Co. and John Fox, of Boston, now hold concessions on NALCO property in Newfoundland with exploration programs going on for copper, lead, zinc and oil.

Iron Ore Market

Regarding possible sale of NALCO iron ore deposits in Labrador, Mr. Doyle said that he believed "iron ore should be sold in the ground," indicating that a sale might be expected as soon as further exploration outlines the exact nature of the deposits. He admitted that Cleveland Cliffs Iron Co., and other companies had looked the properties over, but said no further move was contemplated at present.

Referring to the denationalization of NALCO, Premier J. R. Smallwood told The Post: "We could not afford, nor could we risk any more public money on exploration of the area. Now the original purpose of the corporation will continue at a faster rate, and largely through private capital."

Associated with Mr. Doyle in purchasing control of NALCO were John Murdock; Burleigh & Partners, Vancouver; R. S. Weston & Co., Edmonton and Calgary; Rittenhouse & Co., Toronto; L. J. Forget & Co.; and Jackson & Co., both of Montreal. No breakdown of how the purchase was transacted has been released. It's understood, however, that the Javelin interest participated strongly enough to acquire working control of NALCO.

Many of the key NALCO executives, including its founder and chairman, Dr. Alfred Valdmanis, and its president, V. P. Geffine, have retained their posts in the organization.

New Directors

The new NALCO board of directors, elected in Montreal last week, consists of: John C. Doyle, chairman of the executive committee, Premier J. R. Smallwood, honorary chairman (appointed by corporation statute); Dr. Alfred Valdmanis, (former Newfoundland Director of Economic development); V. P. Geffine, president, former (senior vice-president, Cleveland-Cliffs Iron Co., Cleveland); M. F. Devonport, (vice-president and secretary-treasurer of Javelin); George M. Mackintosh, vice-president, Harriman Ripley & Co., New York); Leslie Curtis (Attorney-General of Newfoundland); Gregg Power, (Newfoundland Finance Minister); John Murdock, (president, John Murdock & Sons Ltd.); L. M. Douquet, (also a director of Javelin); and Col. J. A. Mercier, a Montreal investment executive.

Late last week, a block of 227,000 Javelin shares was purchased out of the company's treasury for $10 a share, by a group of existing shareholders which included John Murdock, J. C. Doyle, John Gaido, a New York coal mine operator, and V. P. Geffine, president of NALCO. This private sale, for which cash was to be paid by Sept. 10, brings the total outstanding Javelin shares to 917,255, leaving only 82,745 shares in the treasury. President Doyle told The Post that no further financing is contemplated at the moment.

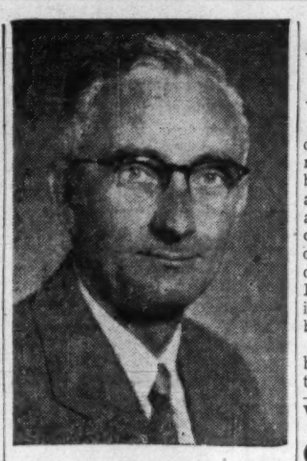
Canadian Javelin Foundries & Machine Works Ltd. was set up in 1951 to take over a private stove-manufacturing company at Joliette, Que., It also holds mining claims and rights on iron and titanium ore properties of 15,800 acres of the Saguenay River and options on an additional 1,000 acres. An agreement signed with Industrial Associates Inc. in April, 1953, calls for marketing of one million tons of iron ore and 150,000 tons of titanium annually for 10 years.

Balance sheet at Dec. 31, 1952, showed total assets of $971,704, of which $400,000 were mining claims. Total authorized capital is one million n.p.v. common shares.

Newfoundland & Labrador Corp. was formed in 1951 by the Provincial Government to "promote the industrial and economic development of Newfoundland and Labrador."

It was granted wide concessions for both mining and timber operations, totaling some 25,000 sq. miles.

Initial authorized capital stock consisted of three million $1 par shares, of which a syndicate headed by Harriman Ripley & Co., New York, and Wood, Gundy & Co., Toronto, purchased 100,000, while the province acquired 900,000 shares. It still holds these shares, giving it a 36% minority in the current setup. Authorized capitalization was later increased to five million shares, by act of Parliament, but no more shares were issued until the current deal.



G. O. SHEARS

has been appointed vice-president Walter G. Hunt & Co., general contractors, Montreal.

Somerville Buys Cons. Litho. Mfg.

Assets of Consolidated Lithograph Manufacturing Co., Montreal, have been bought by Somerville Ltd., effective June 30, R. A. Irwin, president of the London, Ont., firm, announces. Consolidated Lithograph stock was removed from trading on the Canadian Stock Exchange early last month (The Financial Post, Aug. 8).

At Dec. 31, 1952, Consolidated Lithograph's balance sheet showed total assets of $1,963,973, current liabilities of $215,372, earned surplus of $931,837, and working capital of $526,035. Net profit of $164,370 for 1952 was equivalent to 91c per share.

Show-Mart Control Changes Hands

MONTREAL (Staff) — Control of Show-Mart Investment Corp., formed late in 1950 to build a large industrial exhibition building in Montreal, has been acquired by J. Louis Levesque, The Post, is informed.

Mr. Levesque, president of the investment firm, Credit Interprovincial Ltée., acquired all the outstanding stock of Show Mart Inc. The latter controls about 90% of the outstanding preferred and common shares of Show-Mart Investment Corp. Price is not known.

Show-Mart Investment Corp's building in the eastern part of the city has 240,000 sq. ft. of floor space. Opened in January, 1952 and fully completed in the summer of last year, it was financed largely through a $1.3 million bond issue offered publicly by Credit-Anglo-Francais Ltée.

It's now understood that some thought is being given to adding another two floors to the building. Nothing definite has been decided as yet.

Vickers To Build 850-Ton Govt. Ship

MONTREAL (Staff)—Canadian Vickers Ltd. has been awarded a contract by the Department of Transport for a $1,660,000 lighthouse supply ship.

To operate on the Atlantic coast, the 850-ton twin-screw, steam-driven vessel, is expected to be completed by the fall of 1954. It will be attached to the Saint John Marine Agency for use in servicing lighthouses, buoys and other aids of navigation.

Dominion Bank Plans To Open Drive-In Branch In Toronto

Dominion Bank will open a drive-in bank in Northeast Toronto, about Dec. 1. The new branch, on Victoria Park Ave., at the junction of O'Connor Drive and Eglinton Avenue, now under construction, will be the first drive-in bank in Ontario, President Robert Rae of the Dominion Bank says. A branch of the bank is now operating in a temporary building on the site.

Customers of the new drive-in branch will not have to leave their cars to conduct ordinary banking business. They'll simply drive around to the south side where the drive-in counter protrudes from the wall. Whether making a deposit or a withdrawal they place their cash, deposit slips, etc. in the combination deal tray and package receiver, operated by the teller. Two-way intercom allows teller and customer to converse freely although separated by a solid glass window. Other features of the drive-up counter include bullet-proof glass, stainless steel exterior, heater, defroster, etc. A customers' parking lot will be provided at the rear of the building and conventional facilities (modern tellers cages inside the building, etc.) will be provided for those who prefer them.

When completed the building will have a buff brick exterior trimmed with black macotta. Total area including parking space is 65 ft. by 200 ft., building dimensions 40 ft. by 40 ft—1,750 ft. including vault.

West. Can. Brew. Gains Control Of Red Deer Brewing

Controlling interest in Red Deer Brewing Co. of Alberta has been acquired by Western Canada Breweries Ltd., through purchase of shares from the company treasury and from private holders.

The purchase means that Western Canada Breweries now has producing and distributing units in each of the four western provinces. In addition to Vancouver Breweries Ltd. in Vancouver, subsidiaries are Drewrys (Manitoba) Ltd., Winnipeg; Drewrys Saskatchewan division, Saskatoon; and Blue Label Brewery Ltd., Regina.

A new $2 million brewery now under construction for Red Deer Brewing at Red Deer, Alta., will be completed by Western Canada Breweries, and will start selling its products early next year.

Red Deer was formed in 1950, with capitalization of one million n.p.v. common shares and an issue of $500,000 10-year 5% bonds, neither of which was offered publicly. S. F. Heard will remain as president and MacDonald Millard as director and secretary. J. D. Paterson, formerly managing director of North West Brewing Co., Edmonton, will occupy a similar position with Red Reer Brewing.

Western Canada Breweries last year purchased an interest in North West Brewing Co., in what was believed to have been an unsuccessful attempt to gain control of the Edmonton firm (The Financial Post, June 7, 1952).

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Public Utilities

POWER CORP. OF CANADA net profit of 1,604,257 for year ended June 30, 1953, was 13.6% lower than previous fiscal year's net of $1,857,027.

Combined value of corporation's investments in and advances to subsidiary and affiliated companies, and other investments, based on available market prices or estimated values, amounted to $42,319,030 at fiscal year's end, against book value of $34,087,899. These figures represent increases of 3% and 12.8% respectively from $41,096,472 and $30,218,261 a year earlier.

Company disposed of its holdings in Winnipeg Electric Co. during the year to Manitoba Hydro-Electric Board.

Principal undertaking of company's engineering and construction divisions during the year was the completion of design and construction of the Tobique Narrows Hydro-Electric Development for the New Brunswick Electric Power Commission. First unit was put into operation April 17.

At June 30, 1953, installed horsepower of the five affiliated public utilities was 860,407; undeveloped sites would bring total ultimate capacity to 1,600,420 hp. Total kwh output during the year was 3,162,189,176.

Annual meeting is Sept. 25.

INCOME ACCOUNT

Years Ended June 30:	1953	1952
Net earnings	$2,104,744	$2,532,827
Less: Depr. furn. & fixt.	5,400	6,600
Deb. int.	286,987	231,200
Income tax res.	208,100	438,000
Net profit	1,604,257	1,857,027
Less: 1st pref. div.	300,000	300,000
2nd pref. div.	300,000	300,000
Common div.	833,647	714,184
Surplus for year	170,610	542,843
Times Deb. Interest Earned	7.33	10.96
Earnings per Share and Dividend Record:		
1st pref.: Earned	$32.09	$37.14
Paid	6.00	6.00
2nd pref.: Earned	13.04	15.57
Paid	3.00	3.00
Common: Earned	2.20	2.82
Paid	1.85	1.60

CONDENSED BALANCE SHEET

As at June 30:	1953	1952
Cash	$540,576	$1,483,380
Accts., etc	188,787	228,673
Total curr. assets	729,363	1,712,053
Invests.†: Misc.	14,459,544	10,505,629
Sub. & affil. cos.	15,256,336	15,303,329
Loans, less res.	4,370,000	4,409,103
Furn. & fixtures*	39,106	35,645
Deferred exp.	15,489	10,900
Total assets	34,871,838	31,976,859
Accts. pay & accr.	219,835	239,600
Taxes	123,415	217,111
Divds. pay.	150,000	150,000
Total curr. liab.	493,250	606,711
Funded debt.	7,422,000	7,900,000
Capital stock	15,340,720	15,012,720
Special reserve	6,968,876	3,979,897
Surplus	4,647,012	4,477,531
†Total mkt. val.	42,319,030	41,096,472

*After depreciation.

Announcement

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whose appointment as Assistant General Manager and Director of Agencies of The Excelsior Life Insurance Company has been announced.

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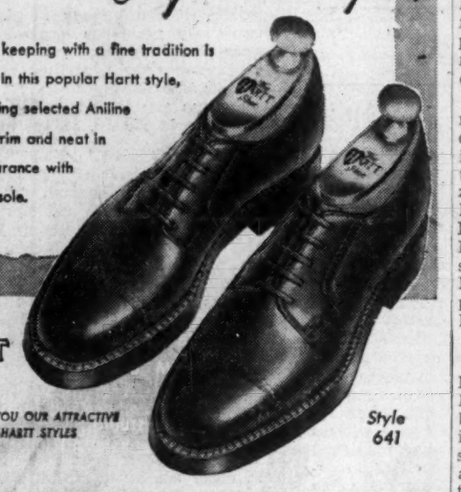

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The Forgotten College Man

The shortage of new college graduates is likely to continue for years says the National Employment Service. This is important word for business. For even in the past few years the supply has been tight enough.

It's important to realize, however, with even a slight tapering off in business, the shortage in many lines would disappear. Still, business is expected to keep on expanding, so a shortage is more likely than a surplus. And for some special lines, like doctors and dentists it would take years ever to catch up with demand.

There are physical limits to the supply of students. The low birthrate of the thirties means fewer teenagers today. As well the teenager can make good money without going to school. So why bother? That's the constant temptation.

Business can hardly raise beginning salaries any higher to attract graduates. Already salary scales have been upset, as Joe College is hired at a higher rate than his older brother.

But there is one way to help to ease the shortage. That is to consider hiring the liberal arts graduate.

In postwar years the big demands have been for the specialized graduates, the engineers, the science graduates, the men who have some special training. The liberal arts graduates are left until the last. Even those who have taken their college courses seriously are forgotten.

Yet both in Canada and the United States, management has been talking of the need for men with a general background. It says that it is more important to have decision-making ability than specialized knowledge. Yet the liberal arts man is left until the last when it comes to hiring on the campus regardless of his personal attributes.

Do the specialists have a monopoly on management ability? Does a man have to be an authority on the use of round headed rivets in parabolic structures, or on the family life of the potato bug to be able to fill a very useful role in business?

Some college students are just not interested in specializing as undergraduates. It's a general education they want.

Even for those who do specialize at the undergraduate level, it is largely a general background which they receive. Yet because the degree carries some fancy handle, they receive preference in the hiring line.

Hiring some liberal arts graduates for business jobs will never solve the problem of too few doctors and dentists and so on — only an expansion of training facilities can ever hope to do that. But it would help to solve the shortage which business faces in hiring next spring's graduates for the hundreds of jobs where a general knowledge is as effective as a specialized one.

Holding The Umbrella

"Fear Argentine and Russia will undermine International Wheat Agreement", says a report from London.

That's not news. It is exactly what observers expected and predicted when the United States, Canada and Australia got together and hoisted IWA prices last spring. If anyone really believed that the big outside producers would sit back and let the IWA crowd unload first, then they shouldn't be in the grain business.

The same thing happened when the Canadian pools tried to hold prices too high back in 1928. While we refused to sell, the Argentine unloaded and later we were thankful to take a great deal less than originally offered. We held the umbrella. Our competitors did the business. And now we are holding the umbrella again. Argentina and Russia are selling wheat. Our world sales have shrunk to a dribble.

The same thing, of course, would have happened under the previous IWA, except for one thing. Due to state bungling and crop failures the Argentine had no wheat to sell and Russia very little. Now, however, the supply situation has completely changed. Elevators almost everywhere are bursting with wheat.

Dreams of Tomorrow

Pushbutton homes, pushbutton cars, automatic factories, controlled beam highways, supersonic transportation . . .

We're going to hear a lot more about them in the next 50 years says Canadian Westinghouse president H. H. Rogge.

Is this fancy talk? Viewed against the progress of the past 50 years we don't think so.

Rogge told a directors' luncheon at the Canadian National Exhibition that 95% of all work done today in manufacturing is performed by electrical or mechanical energy. This use of energy is the "miraculous factor" which has boosted Canadian production and sent the standard of living soaring, Mr. Rogge said:

"This increase in productivity is not because the typical worker of today is stronger, more skilful or more diligent than his grandfather. It is because he uses better methods, better tools and machines — and vastly more mechanical power."

The age of power means that every Canadian has working for him an army of 136 slaves, serfs or robots, each equal in strength and energy to a robust man.

In the last 25 years Canadian per capita real income has doubled. And in the last 50 years the work week has been cut by nearly one third. In addition, there's a bonus element in Canadian expansion and mechanization. As our market grows more of our industries can produce at capacity with lower overhead.

Ours Are All Toll Roads

At a highways convention the other day someone suggested that Canada start building toll roads, too, following the example set by certain big eastern states across the line. The proposal got scant support.

Most people in this country think they are paying quite enough now in taxes to provide good roads without any super charge being added. And they are right.

In every province of Canada the motorist pays at least 10 cents on every gallon of gasoline he buys. This is double the levy in most U. S. states. Our tax costs half a cent or more for every mile covered. On a mile of the more heavily traveled highways of Central Canada, the authorities may collect up to $50,000 a year in gas taxes. At that rate even the best superhighway would soon pay for itself.

But we pay this tax whether we roll along on one of Ontario's new 400's or a dirt track into a logging camp. Every time the speedometer registers another hundred miles the provincial cash registers ring up 50 or 60 cents.

In Canada we are away ahead of Uncle Sam. Thanks to a 30-35% gasoline tax all our roads are toll roads.

They Know What It's Like

One reason which makes it easier for other nations of the Western side to feel something slightly less than affection for the United States is the fact that that country is a great deal more secure from enemy attack than any other with the possible exception of Canada.

Most of the Western group have been fought over, and have unpleasant memories of the experience. Even Great Britain, though never actually invaded, suffered quite enough from aerial bombardment to be anxious not to go through it again, and is in any case far from secure against invasion in the present set-up. North America in modern times has never undergone anything of the kind, and is certainly, if not absolutely secure from it today, much more likely to avoid it than any other potential belligerent.

This fact is singularly absent from the awareness of the average American. He expects France to act precisely as if she had never endured occupation, and Germany as if another strafing would not be a serious matter. The enormous psychological effects of having been in the forefront of the battle are not appreciated by a nation which never had an enemy near enough to bombard its coast, let alone make a mess of its interior. In the European view, American opinion is too light hearted about the prospect of a third war, and too indisposed to bother with possible lines of action for avoiding it. If the Japanese had succeeded in devastating United States territory as far east as the Rockies, think the Europeans, there might be a more cautious attitude about tangling with Russia and dragging everybody else into the tangle.

In the old days, there used to be much the same feeling among the more exposed nations concerning Great Britain, then almost immune from attack. It is the common fate of the safest and wealthiest country in a coalition. But if the coalition is to be successful this sort of jealousy needs to be countered by the most tactful sort of diplomacy. That is an art in which Washington has much to learn.

Gone Wrong Somewhere

Prison reform efforts have been a failure and the sooner we adopt a new fresh course the better. That blunt view was expressed by Ontario Opposition Leader Farquhar Oliver the other day.

For a generation or more we have been talking loudly about setting criminals back "on the straight and narrow." We have pampered them, pleaded with them, flattered them. We have spent a lot of money on them both in and out of prison. And what has happened? Our jails are jammed. With only one third Britain's population we have more people behind bars than she has.

There's something wrong somewhere.

Meat Gamble Comes High

Though actual investors may hold a different opinion, in the popular mind at least, meat packing has always been considered a highly lucrative business. When the government enters the field, however, the story is sad, very sad.

Last week we were told that Ottawa's venture has already cost the Canadian taxpayer no less than $50 millions. And as we still have about 60 million pounds of pork and beef to sell that loss may be considerably higher before the job is completed.

At that we have been lucky. We only have to look across the line and see the mess that Uncle Sam is in. There the losses on government food transactions have run into billions and the end is not even in sight. Encouraged by fantastic government support prices farmers have been piling up surpluses of wheat, beef, pork, butter, potatoes, eggs, peanuts and a lot of other things. What the domestic market won't absorb at high prices Washington buys and burns, gives away or stores.

Fortunately the United States is a very rich country and its agricultural industry compared to others is relatively small. When government marketing of wheat, meat or other farm products goes astray there are at least 130 million non-farm taxpayers to pick up the cheque.

In this country on the other hand agriculture is one of our biggest industries, and we have less than 12 million non-farm taxpayers to pay the loss. That's quite a difference. What proved to be merely an expensive gamble for United States could cost us our shirts in Canada.

Knee Deep In Bread

In the United States where, as in Canada, a huge surplus of wheat has piled up, consumers are being urged to eat more bread. In Europe, it is pointed out, the people eat several times as much bread as they do on this continent.

That is true but they also eat far less meat and eggs, and dairy products. And if they turn to bread in a big way they will have to cut down on the other items. In the end that would mean still less consumption of wheat or at least other grains that compete with wheat.

The reason is simple.

To produce one pound of meat, a hog or a steer must be fed from four to five pounds of grain and the same would be approximately true for eggs and dairy products.

Few people in this modern age could stand knee-deep in bread and polish off 30 slices of it for their supper. But when they eat a fair sized steak they are getting rid of the equivalent in grain.

Let the cows eat the grain. And we will eat the cows.

Napier Moore's Scratch Pad

IN VANCOUVER, a member of the staff of the B. C. Automobile Association answered a phone query the other day and was startled to hear a heavily accented voice wanting directions on how to find "Jake's Beer Garden."

A lengthy and animated conversation followed, with the Association man vainly trying to convince the motorist that there were no beer gardens in Vancouver.

The dilemma was finally cleared up when it was discovered that "Jake's Beer Garden" was really Stanley Park's famous "Shakespeare Gardens."

• • •

THAT THERE'S NO BUSINESS like the show business was again demonstrated last Friday evening at the Canadian National Exhibition grandstand show. Victor Borge, the comedian-pianist, immaculate in white tie and tails and working in front of the gargantuan open-air stage, had just started his act when a thunder storm tore loose. Drenched to the skin, with heavy rain pelting the piano, Borge went gaily ahead with his full routine, joyously ad-libbing about the deluge, and kept the vast audience under the stand's roof in a riot of laughter.

It couldn't have been so hilarious for the ballerina who gamely stuck to her dance interpretation of "Claire de Lune," as played by Borge. What should have been a gossamer, billowing veil was converted into a limp piece of string.

• • •

SATURDAY, WE WENT to Niagara Falls to see our good friend Billie Burke in "Life With Mother" and marvel at a freshness and energy the years haven't been able to dim. She played one show at six o'clock, had half an hour's rest, played a second show at nine. After that, backstage, we chatted until nearly midnight while adoring young members of the cast packed her wardrobe trunk. Then she was driven to Buffalo, caught a train for Boston, where she caught a train to Ogonquit, on the Maine coast, and turned up for a dress rehearsal Sunday afternoon!

Incidentally, we were enormously impressed by the Niagara Falls summer theatre, housed in a 1,000 seat, air-conditioned school auditorium with a splendid stage. It's quite the best summer theatre we've been in.

And we never visit Niagara Falls without wanting to doff our hat to the Parks Commission for what it has done and is doing to make the Canadian side of the Falls as scenically attractive a spot as you'll find anywhere.

Only one thing knocked us for a loop, and it has nothing to do with the Parks Commission. Niagara Falls, the source of so much of Ontario's power, is still on 25 cycle.

• • •

BEJNG IN A THEATRICAL MOOD, we might as well go on to say that in Herbert Whittaker's column in Toronto's Globe and Mail we have been reading about T. S. Eliot's new play, The Confidential Clerk, which is having enormous success at the Edinburgh Festival. The play is in verse, and a sample of the verse is: "It's strange, isn't it, that a man should have a consuming passion for something for which he has no capacity?"

We've recited this a dozen times without managing to make it sound verse-like, and have given up. We'd better stick to things like "Dickery, dickery dock, the mouse ran up the clock."

• • •

AN OTTAWA DISPATCH to The Financial Post reported that the meat of white whales caught out of Churchill is being distributed to Winnipeg meat markets. The report began "Newest piscatorial delicacy finding favor on Manitoba tables is deep fried white whale steak," and went on to say that the product is rather vaguely described as "tasting like beefsteak with a fish flavor."

Arthur A. Wardrop, of Montreal, has been pretty badly shaken by this. He writes:

Whoever described the flavor as fishy can never have tasted even a mouthful of it. We used to have it dished out to us in meat-starved Britain when I was in hospital. There were many epithets applied to it, but "fishy" never.

At one time, shortly after the war, there was a ship anchored in the Holy Loch in Scotland which had 10,000 tons of it stored on board. The crew of about 50 men had devised various ways to make it palatable and were slowly eating their way through the cargo. Fortunately for them, after the first year on this mammoth task, the Ministry of Food tried to sell the meat to the United States and ordered them to New York. It provided them with a change of scenery, but no respite from their diet, for the Americans had no taste for such a delicacy.

So they sailed back across the Atlantic to Britain, this time to an English port. But they had no luck. The Minister of Food surrendered and handed over the cargo to his colleague in the Ministry of Agriculture. He converted the whales into fertilizer, so eventually they did serve their purpose of increasing Britain's food supply.

In Round Figures...

Post Scripts

Big Man — Big Job

International Power Co., one of Canada's major public utility holding companies, has a new president. Chosen to control its far-flung electric light, power and telephone operations in Latin America is former vice-president Frederick Krug, 59.

MR. KRUG

Krug, a tall (6 ft. 4 in.), powerfully built man, is regarded as a top-flight utility engineer and operating executive. He has also, through years of experience, acquired an intimate knowledge of Latin American affairs and has developed the diplomatic skills so necessary from time to time in dealing with some of the more volatile tropical republics.

The new president is a native of New York who spent most of his early business career in Latin America and has lived in Montreal for the past 17 years.

He was educated at Cooper Union, New York (a technical school) and New Mexico Institute of Mining & Technology, rounding things out with advanced work at Massachusetts Institute of Technology.

Since then, Krug has picked up broad experience in engineering, public utility valuations, rate cases and management.

He was with Porto Rico Railway, Light & Power Co. when it was taken over by the newly formed International Power Co. in 1927, stayed on as vice-president and general manager of the subsidiary until 1936.

He then came to Canada to work for Montreal Engineering Co., a service organization for the International Power group, and was made general manager in 1940, a position he has held since then.

Krug is a friendly, thoughtful man, who feels there is a substantial growth potential in the countries of Latin America. He tries to get a first-hand look at his company's operations once a year, usually setting out in the winter.

On his trips south, Krug also gets a chance to pursue his two hobbies—photography and Latin American art. One of his favorite pastimes is taking color shots of paintings hanging in art galleries, which he then shows on a projector at his Westmount home.

Married in 1919, he has a son working in Panama and a married daughter.

• • •

Heads Accountants Group

A man of long experience became new president of the Canadian Institute of Chartered Accountants at the 51st annual convention in Victoria this week. He is Walter James Macdonald of Winnipeg.

Born in Scotland 59 years ago Macdonald came to Canada when he was 17. In the first world war he joined the 44th infantry battalion as a private and received the Military Medal. Subsequently he rose to captain and was awarded the Military Cross and bar. A year after his return to Canada, at the age of 26, he founded the accounting firm of Millar and Macdonald of which he is the senior partner.

Macdonald is of medium height, average weight with a broad forehead and keen, blue eyes. He is married and has one son who is at present at the University of Manitoba. His main outdoor recreational interest is golf and summer holidays are usually spent at a lodge in the Clearwater Bay area on the Lake-of-the-Woods.

Shortly after the start of World War II, Macdonald went to Ottawa and served for a brief period as controller to the Department of National Defense for Air. From 1946 to 1948 he was president of the Manitoba Chamber of Mines, a position he was well qualified to hold in view of the immense amount of work his company does in the mining field. More recently he has appeared as a witness on federal, provincial and municipal enquiries and his specialized knowledge has been of considerable value to the provinces of both Manitoba and Saskatchewan for whom he has acted as consultant on the freight rate enquiries.

Keenly interested in church work and young people, Macdonald devotes much of his spare time to the Winnipeg YMCA of which he has been president for the past five years.

In taking over his new position he feels that chartered accountants have by no means reached their full stature in the Canadian pattern. He holds the belief that in the years ahead the advice of the profession will be sought by both government and industry to an ever-increasing degree.

• • •

Take in More Pharmacists

Robert Edward Forbes, druggist at Wadena, Saskatchewan, population 1,200, was elected president of the Canadian Pharmaceutical Association at its annual convention in Winnipeg. Forbes, 43, takes over as plans to double association membership get under way.

The 1953 convention this year was partly in recognition of the 75th anniversary of the Manitoba Pharmaceutical Association. Until this year membership in the Canadian Association was restricted to owners or managers of a pharmacy business. On this basis it had about 5,000 members.

MR. FORBES

Procedure was changed at the Winnipeg convention, so far as provincial pharmacy acts permitted, to take in all qualified pharmacists which will bring in those engaged in hospital, teaching and manufacturing work.

Forbes was born in Canora, Saskatchewan, where his father homesteaded in 1908 after coming west from Newfoundland. Farming operations were supplementary to a store business which the father established soon after at Buchanan. Forbes got his early education at Buchanan, Kinistino, and North Battleford, and graduated in pharmacy at the University of Saskatchewan in 1934.

His grandfather was a doctor in Newfoundland and often worked with Dr. Grenfell in the latter's trips in Labrador. Young Forbes read so much about these experiences he intended to be a medical doctor himself and probably would have been had not one of his first jobs been in a drug store. As soon as age allowed he apprenticed to a pharmacist and finished while attending university. He worked three years after graduation in Saskatoon. With his own stake and some family help he bought a drugstore at Young, Saskatchewan, in 1937. Ten years later he sold that and bought the business he now operates at Wadena.

Forbes' chief outside interest is in his town's juvenile hockey team which last year made the North Saskatchewan finals. He himself used to be a fair ranking hockeyist and only hung up his skates last year to make way for his 12-year-old son.

Stop Me If

Two young doctors met for the first time since college.

"I'm specializing in nerve treatment," said one.

"And have you had any success?" asked the other.

"I should say so," was the reply. "When I'd finished with my last patient he asked me to lend him $50."

"There's a boy called John Simpson working here. May I see him? I'm his grandfather."

"You've just missed him. He's gone to your funeral."

• • •

Passenger—"What's the use of timetables if your trains are always late?"

Porter—"What's the use of waiting-rooms if they're not?"

What Others Are Saying

Editorial of the Week

Let Us Be More Positive

Halifax Chronicle-Herald

Today's greatest need in the free Western world is for a positive and constructive emphasis on the values of its own democratic system.

The simplest way to remove the air from a glass is to fill it with water; the most effective defense against marauding Communism is not the merely negative denial of its truth, nor yet the obscurantist refusal even to let the accursed word be mentioned.

Rather it is the emphatic declaration of the strength of democracy — the value of the individual, the right to the freedoms of life and the inadequacy of materialism.

In the face of these truths Communism cannot but stand condemned, and our own way of life justified. Communism is a disease which, like other diseases, flourishes on weakened bodies; combatted with a positive strength, it loses its grip.

Other People's Views

THERE IS NO NEED to apologize for the big spending of Canadians when they travel outside the country, thinks the **Windsor Star** which argues: "Basically, of course, the volume of spending is evidence of the prosperity of Canada. They couldn't spend it if they didn't have it."

CAMPAIGNS AGAINST fat men mean it's not enough to be fat and jolly. You must be jolly without being fat. The **Shawinigan Falls (Que.) Standard** wonders if that is possible. "The mind's eye conjures up legions of food-loving fat men suffering daily as they deny their bay windows their natural form of expression. Think of the mental anguish involved . . . "

SOMETIMES dropping off a nickel in the price is carried to ridiculous lengths, thinks the **St. Thomas Times-Journal**. "We are accustomed to seeing merchandise advertised at such sums as $19.50, $23.75, $31.95 and so on, but perusing prices of television sets the other day we came upon such figures as $299.95, $399.95 and $499.95."

NOT FEAR BUT EXPERIENCE makes Britain cautious about her present diplomacy, explains the **Ottawa Journal**. "England, if war comes, will be literally and almost immediately under enemy guns. The people have vivid and painful memories of the bombing they had to endure in the recent world war . . . In these circumstances the British can be understood if sometimes they view with no little concern the possibility of being precipitated into a third war by short-sighted statesmanship or by an 'incident' that could have been avoided."

SLOPPY SPEECH indicates deterioration of a language. But there is a place for slang to add new color. On the subject, the **Saint John Telegraph-Journal** comments: "Purists in speech can be irritating, but at least they mean well. However, many are called purists when they merely speak more correctly than those who accuse them of affectation. It is just as much affectation intentionally to resort to sloppy speech if we know better. Let us attempt to reach a reasonable balance in our speech, neither too rigidly correct nor slovenly, remembering that Dr. Johnson called language "the dress of thought.'"

CORONATION stamps of Canada are the worst of the lot, declares the **Calgary Herald**. "In proportion to its population, Canada is easily the wealthiest nation in the whole British Commonwealth. We boast we have the second highest standard of living on earth; we tell ourselves (and rightly so) that there is no other place in the world where we would rather live; and our technical resources are so superior that we are spending a good deal of money showing other Commonwealth countries how they can be as clever as we are. But when it comes to something like producing a decent four-cent stamp, every other Commonwealth country, with not a single exception, manages to make us look like a bunch of monkeys."

The Financial Post

Member Audit Bureau of Circulations
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September 12, 1953

Govt. Policy On Air Competition Faces Test

Growing BC Airline Claims Its Wings Clipped, Hit By Subsidy

British Columbia's postwar boom has brought expansion in almost every line of business—and headaches for some of them.

Here, pieced together by two Post staff writers, is the story of one of the headaches—the fight between Queen Charlotte Airlines and Pacific Western Airlines over the big new run from Vancouver to the Alcan project at Kitimat. In the middle is the Air Transport Board; at stake is government policy on competition among airlines.

By VICTOR KOBY

The hopes and plans some people have for expansion of Canada's airline and air charter industry hinge this fall on the Government's decision on Pacific Western Airline's bid for expanded services.

PWA is seeking to loosen the Government's "tight grip on competition within the industry." It has applications before the Government agency, the Air Transport Board, to (1) fly an air coach service across the Rockies; (2) provide increased services north from Vancouver in competition with Queen Charlotte Airlines.

These applications are based, PWA claims, on a growth of air traffic potential far in excess of what the company is allowed to carry by the present licenses it holds from the Air Transport Board.

"The time has come," says PWA, "for the Government to establish a more realistic aviation policy. There are two alternatives ahead:

"Retain the present restricted, closely controlled monopoly system and stifle the aviation industry;

"Permit reasonable competition, which will benefit the industry and result in far greater service to the public."

The company takes this vigorous stand on the basis of its dealings with the Air Transport Board over the past year while undergoing rapid expansion.

PWA was a small charter company two years ago known as Central British Columbia Airways. Today Pacific Western is one of the larger air carriers in Canada.

This growth has been a direct result of the expansion of air transportation demands from the construction companies engaged on the Aluminum Co. of Canada's Kitimat project.

The Air Transport Board, PWA, claims, has hindered their further expansion and the flow of men and goods to the Kitimat area:

—By refusing to grant PWA the right to fly more frequent services and to use its variety of small and large aircraft to the mutual economic advantage of PWA and its customers;

—Has canceled a "valid" contract between PWA and one of its customers by refusing renewal of the contract after it had been in successful operation for a year;

—Attempting to force PWA's customer to use another airline against its wishes to PWA's loss;

—Had forced PWA to operate in competition with an airline which was being subsidized by the Government while PWA was suffering losses at the hands of the Government;

—Had reversed its earlier 1951 decision: to allow free access by Alcan or its contractors to the flexible type of service they need by permitting "as many carriers as can conveniently serve the area to do so in as free and full a manner as possible."

It was in 1951 that PWA (then CBCA) came on the scene to start competing with Queen Charlotte Airlines for the construction business. PWA secured a three-year contract with contractor Morrison-Knudson.

PWA had been given the same rights as Queen Charlotte Airlines but in 1952 QCA lost most of the growing construction companies' traffic to PWA. Pacific Western says that it handled 10,500 passengers to QCA's 700.

After QCA expanded its fleet of aircraft without successfully gaining the construction companies' business, and then suffered a loss on its regular coastal service, the Government granted a $150,000 subsidy to the company. (A further subsidy of $250,000 is being considered by the Government now, according to PWA).

PWA late in 1952 wanted to expand its operations and was considering the purchase of a group of smaller charter companies—the Associated Group—which would give PWA increased traffic licenses.

Most importantof these licenses

(Continued on page 8)

Policy On 'Protected Routes' Due For Review In The Fall

BY MICHAEL BARKWAY

OTTAWA (Staff) — The "no competition" policy for civil aviation which the Government has maintained since the end of the war must be reviewed this fall.

Besides the CPA application for a transcontinental freight service in competition with TCA, the whole concept of "protected routes" has been challenged in a long-drawn out fight between rival operations in British Columbia.

The sooner the B. C. tangle can be cleared up the better. Aviation circles in and outside government are disturbed by the damage done to the industry by the sort of inter-company rivalry which has been raging in British Columbia.

An application — the latest of many — is now pending before the Air Transport Board from Pacific Western Airlines for permission to increase its regular service between Vancouver and Kitimat-Kemano, the site of the aluminum development. This is a route which was originally assigned to Queen Charlotte Airlines; and under the regular policy of the Government it would have been "protected" for QCA if the special demands of the Alcan Construction project had not led the Air Transport Board to let Pacific Western Airlines share it.

The civil air fight in British Columbia has been going on for nearly two years, ever since the construction work at Alcan's new project led to huge new demands for service. It has from the beginning been a challenge to the "no competition" policy; and a series of decisions by the Air Transport Board read like a series of attempts to reconcile the broad principle of "no poaching" with the need to provide more and more service to the Aluminum Company's construction project.

When the demand for increased air service to Kitimat and Kemano arose two years ago, the Air Transport Board was bound by the Government's post-war policy. This was, broadly, to assist the establishment of an economically sound civil aviation industry by preventing cut-throat competition, pirating or poaching, on routes once assigned to a regular carrier.

It was expressed in two General Orders, dating back nearly five years now, which were worked out with the air industry and were indeed vigorously demanded by air operators.

The first dealt with what are frankly called "protected routes" — that is routes on which one company has been granted a license to operate a regular scheduled service of either Class I (requiring high standards of performance and service) or Class II (requiring rather lower standards). It provided that on such "protected routes" outside companies might not come in to operate charter services. The only

(Continued on page 8)

Personalities In B. C. Air Fight

Here are key personalities involved in the expansion of British Columbia's air service to the Kitimat construction camps:

A. J. SPILSBURY — president and managing director, Queen Charlotte Airlines Ltd. long known in western aviation circles as a steady, quiet-spoken figure who has brought QCA into its eighth year of operation as a scheduled air carrier. As well as passenger operations, he brought QCA into work for the provincial government on fishery and fire protection patrols; air survey and air ambulance work; and as a contractor for B. C. lumber companies and construction companies engaged on the Kitimat project.

FRANCIS RUSSELL BAKER — "Russ" Baker to thousands who knew him as one of Canada's most famous bush pilots. Vice-president and general manager of PWA, which he started as Central B. C. Airways in Fort St. James in 1946 with one small aircraft and two men to help. Holder of the U. S. Air Medal, presented by President Roosevelt for heroic rescue of the crews of three U. S. bombers forced down in the Yukon while on a wartime flight to Alaska. Is senior among Canadian pilots, with approx. 15,000 hours in the air.

KARL J. SPRINGER — President of the PWA. Mr. Springer is a prominent Toronto and Vancouver mining executive who has ben associated with Mr. Baker's activities since 1947. Was first man to introduce helicoptor into mineral prospecting in B. C. and until recently owned his own helicopter.

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Province of Quebec	4 %	1963/66	4.07%
Province of Nova Scotia	4¼%	1967/69	4.22%
Province of New Brunswick	4⅜%	1965/69	4.57%
City of Toronto	4 %	1966-71	4.35%
City of Montreal	3 %	1965	4.35%
Province of British Columbia Guar'd Vancouver School District No. 39	4¼%	1959-68	4.25%
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Canadian Pacific Railway Company—Convertible	4 %	1969	4.02%
*Credit Foncier Franco-Canadien	5 %	1965	5.00%
Dunlop Tire & Rubber Goods Co. Ltd.	5 %	1972	4.96%
Interprovincial Pipe Line Company	3½%	1970	4.00%
Ontario Steel Products Company, Limited	5¼%	1968	5.13%
Aluminum Company of Canada, Limited	5¼%	Preferred	5.05%
Consolidated Paper Corporation, Ltd.	$1.50 +.75	Common	5.84%
International Nickel Co. of Canada Ltd.	$2.00 +.60 u.s.	Common	6.78%
Kelvinator of Canada Limited	$1.50†	Common	6.98%†
The Southam Company Limited	$1.40	Common	5.38%
Steel Company of Canada, Limited	$ .80 +.30	Common	3.64%

*Offered by us as agents.

†Not including extra dividend of 87½ cents per share payable Sept. 19, 1953.

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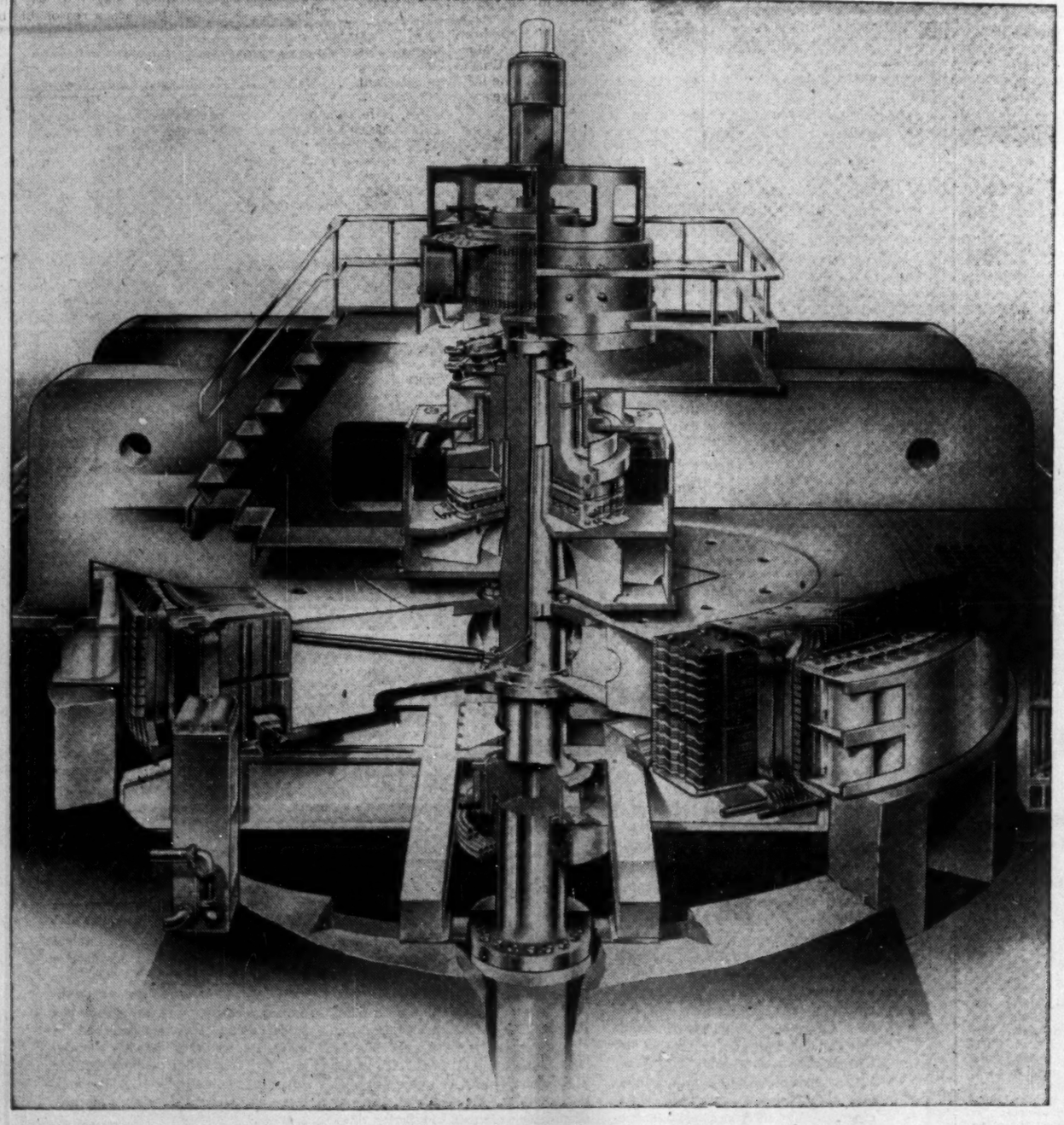

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Air Competition Policy Faces Test

(Continued from page 7)

exceptions were for small air-taxis and for special cases of emergency in which special authorization might be given by the Board.

The second dealt with charter operators. It provided that once a charter carrier had been given a license to operate from a certain base, he would be "protected" at his own base. The protection in this case meant that nobody else might come into his base to take charter business out of it, with two exceptions: — A second charter operator from another base might bring loads into the "protected" base, and take a return load back to his home base. But he could not pick up a load in the protected base for any other destination.

With few exceptions these principles have been maintained during recent years; and many people in the air industries say that without them Canada would not today have as many profitable commercial air operators as it has.

Others claim that, however necessary they were in the past, the time has come for a relaxation to permit freer competition.

At any rate when the Air Transport Board was faced two years ago with the Alcan construction needs at Kitimat-Kemano, it recognized that these two principles would at least have to be stretched if the needs were to be met adequately.

Decision No. 635 issued Sept. 6, 1951, said: "During the construction period there is a special need demanding great flexibility of service and availability of varous types of aircraft at short notice and at various points; and this special need will continue for at least two years. This construction period has to be distinguished from the mere settled "production" stage which will follow; and once the construction stage is completed, the requirements for air transportation ought to assume a well-defined pattern."

For these reasons the Board reached this conclusion:

"For the present the public interest would best be served by permitting as many air carriers as can conveniently serve the area to do so in as free and full a manner as possible; and that any type of licensing would carry excessive protection or would hamper the free access by the Aluminum Company and the contractors to the flexible type of service which they need, ought to be avoided or held to a minimum."

On this principle Queen Charlotte Airlines, which had formerly had charter services north out of Vancouver as one of its protected areas of operation, was authorized to start a Class II regular service to Kitimat and Kemano; Canadian Pacific Airlines was given a Class II service to Terrace and Prince Rupert; and a company then called Central British Columbia Airways was given its first chance to get into charter trade on the coast. It was given a charter base at Kemano (for aircraft of load capacity less than 3,200 lbs) and was allowed to add Nechako Damsite, Tahtsa Lake, Kitimat and Kemano to its existing services.

This arrangement had not had a chance to be tested under the full strain of a summer's work when Central British Columbia Airways (now Pacific Western Airlines) came back to the Board in early 1952. They asked for licenses to operate a regular service, Vancouver - Terrace. They were turned down, on the ground that the previous arrangements had not yet even been tested.

During the summer of 1952 Queen Charlotte Airlines had problems in its main business — which is operating scheduled services between Vancouver, Vancouver Island, coastal points like Powell River and other islands. It was the summer of bad forest fires, coupled with strikes in both fishing and forestry industries. As a result of these difficulties the airline suddenly informed the Federal Government that it would not be able to maintain its winter operations on the scheduled routes.

After Cabinet consideration, it was decided that these routes provided an essential service to the outlying points served and that it must be maintained. Approval was given for a subsidy of $25,000 per month to QCA to operate through the six winter months only and to be used only for the maintenance of service on the scheduled routes deemed to be essential.

With the subsidy — which was clearly labeled "one time only"— QCA's service to Kitimat and Kemano was further reduced. And by this time Pacific Western Airlines, which had obtained a contract with Morrison - Knudson Construction company, one of the Alcan contractors, was doing most of the business.

In late 1952, PWA applied to the Air Transport Board for permission to buy Associated Air Taxi Ltd. of Vancouver. This would give PWA a charter base in Vancouver. On March 6 of this year the Board's decision, dependent on the purchase of Associated Air Taxi, was to let PWA operate a Class II regular service between Vancouver and Kitimat and Kemano, a route already operated by QCA.

This decision ran counter to the general policy of "protecting" a regular route granted to one operator. But the Board said: "We have to some extent been influenced by the fact that Queen Charlotte Airlines is faced with certain other problems in its operations and should not be called upon at this stage to extend its services on this route, an expansion which seems necessary to deal with the expected flow of traffic during the coming season of operations."

The Air Transport Board, however, still maintained part of its principle of "protecting" a licensed carrier. It limited both QCA and PWA to three return flights a week, adding that if this was not enough for the traffic it would consider authorizing additional flights "upon the request of the two carriers concerned."

This Decision, No.-714, also contained another warning, which is important in the light of later events, and which showed the Board trying to maintain the first of its general principles of protection.

It said: "If it is found that those using the service attempt to arrange for the transportation of passengers and goods on a charter basis during peak periods to the detriment of the Class II (regular) service, the Board is prepared to take immediate action to protect the Class II licensees."

This was to reinforce the principle that regular services should not be subject to "pirating" or poaching by charter operators.

Another principle was also involved, and it led to a letter being sent to all commercial operators on March 11 of this year. This was to remind everybody that Canadian air operators are required to charge rates fixed on a regular tariff, and that they are to charge everybody the same.

Too many applications were being made, the Board said, for approval of special contracts at special rates. Such special deals, it said, "in a market which is highly competitive may lead to unfair discrimination and so undermine the stability of the industry and the very intent of common carrier regulation." It warned everybody that in future it would not normally approve special contracts when the filed tarrifs could just as well be applied.

On June 10 the Air Transport Board wrote to PWA to remind them that their special contract with Morrison-Knudson would expire on June 30. At the same time the Board drew PWA's attention to this circular.

In the meantime the frequency of the regular service from Vancouver to Kemano and Kitimat had been stepped up to six a week for both PWA and QCA. But the Board was still trying to insist that the traffic be divided between the two companies.

On June 19 PWA's application for a renewal of its contract with Morrison-Knudson reached Ottawa. On June 30 it was turned down, in accordance with the earlier warnings. The Board took the position that the regular service was not being fully employed, and was being damaged — QCA at least—by the contract arrangements.

For the next ten days there was a fast and furious exchange of letters and telegrams between PWA and Ottawa.

Eventually John Baldwin, Chairman of the Air Transport Board, talked to representatives of the Aluminum Company, which is described here as having always been co-operative. General undertakings were given that the regular Class II service of PWA and QCA would be used as much as possible, and without undue discrimination. And on this basis the Board agreed to allow PWA to operate charter flights with small planes from Vancouver as required to meet the company's needs.

After this settlement the Air Transport Board invited PWA to draw up a new contract with Morrison-Knudson in accordance with its regulations.

Instead PWA asked for permission to increase its regular (Class II) flights beyond one a day. This application is pending, but no hearings have been set.

Canadian Pacific Airlines is also asking for permission to raise its service to Terrace from Class II to Class I. It is thought this application may involve new hearings which could open up the whole B. C. picture for re-examination.

Moreover, it will not be long before the "construction period" of Alcan's development passes into the "production period"; and at that time, as the Board said two years ago, "the whole aspect of air transportation in the area will be reviewed to determine the best pattern for air services to serve the area on a continuing basis."

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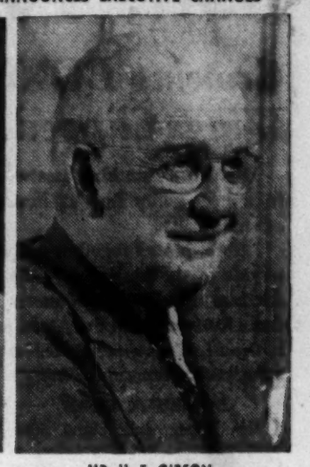

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Lang Stock Option Plan Shareholders Vote Oct. 5

A special meeting of shareholders of John A. Lang & Sons Ltd., Kitchener, Ont., has been postponed to Oct. 5. The meeting was originally called for Sept. 14 to consider company proposals to establish a stock option plan for directors and key employees and to double the present authorized capitalization (The Financial Post, Sept. 5). It is understood that a letter will be sent to shareholders shortly to explain reasons for proposal of the bylaws.

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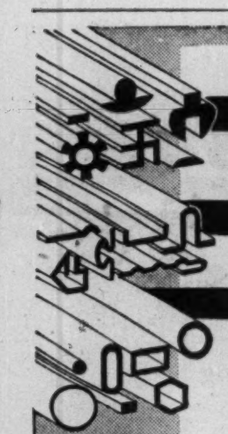

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Growing BC Airline Claims Its Wings Clipped, Hit By Subsidy

(Continued from page 7)

was one to fly a frequent service from Vancouver to the Kitimat area. In May 1953 the purchase was completed following the advice of Alcan.

But the Air Transport Board refused to grant PWA all the licenses it wanted. It held PWA down to three flights a week, the same license that QCA held. PWA wanted to fly a daily service while QCA was flying only one of its allowed three flights a week.

Meanwhile the demand for PWA transportation from the contractors was mounting as the construction program moved into the spring period. The construction companies demanded more frequent service from Vancouver: they had to pay men hired in Vancouver but sitting there waiting for transportation.

On June 9 PWA wired the Government asking for the right to fly more flights into Vancouver and use more of their larger aircraft. PWA asserted that its position as a major supplier of transportation for Alcan was untenable. Large PWA aircraft were sitting idle while contractors payroll costs mounted through lack of transportation and the construction project was held up.

The Board's refusal to extend the Vancouver flight frequency would result in an estimated $600,000 gross revenue loss by the end of the year, PWA claimed.

By June 11 the Board finally agreed to double the frequency of flights to six per week. But on June 30 the Board refused to renew PWA's contract with Morrison-Knudson which was a charter rather than a scheduled service.

M-K, the construction company, which for its own reasons did not want to fly QCA, demanded that PWA live up to its three-year contract. This the ATB ruled would be illegal. There followed a rapid exchange of messages between the two airlines, the Government, the construction company and Alcan.

Finally, following discussions with all parties affected, the Board ruled that the construction company should divide its traffic of about 6,000 men between the two airlines.

Also, if the condition where one carrier is loaded and the other is not continued, the Board would reduce the frequency of service of both carriers by 50%.

M-K started sending their excess traffic by boat to the loss of both air carriers. M-K asked, "what legal right has the Department of Transport in arbitrarily canceling a contract between two business firms... and tell us who shall carry our personnel and whom shall we have the authority to do business with?".

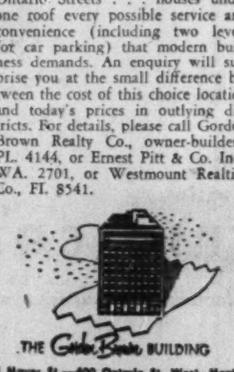
Since then—in July—the Board offered to reverse its decision again and allow PWA to write a new contract with M-K on the basis of the changed licensing position. The ATB also gave PWA more leaway on charter flights.

However M-K has not entered into any new contract.

Both PWA and its customers are awaiting the outcome of the present applications to the Board.

99 steps from St. Catherine St. ...

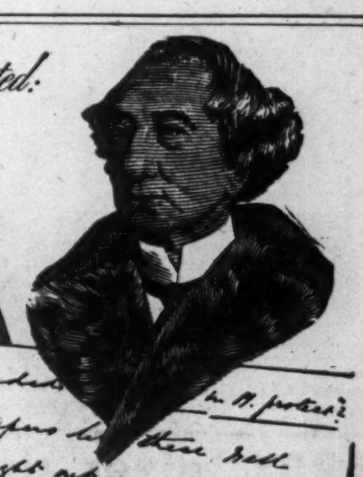
The new Gordon Brown Building is located at the pivotal point of Montreal's most easily accessible commercial and light manufacturing area . . . where skilled labour prefers to go . . . a short block from the main fashion centre of St. Catherine Street . . . yet away from the noise and congestion. The 11-storey building fronts on both Mayor and Ontario Streets . . . houses under one roof every possible service and convenience (including two levels for car parking) that modern business demands. An enquiry will surprise you at the small difference between the cost of this choice location and today's prices in outlying districts. For details, please call Gordon Brown Realty Co., owner-builders, PL. 4144, or Ernest Pitt & Co. Inc., WA. 2701, or Westmount Realties Co., FI. 8541.

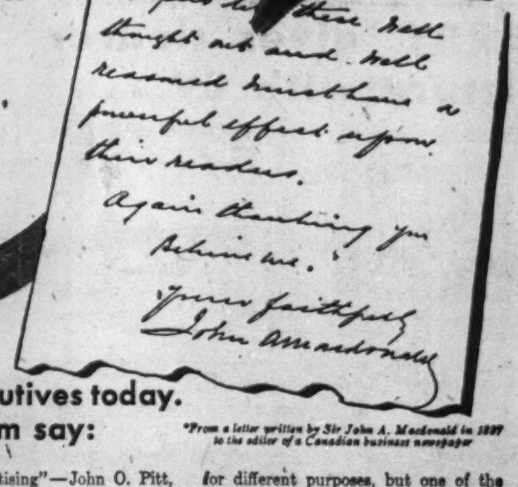


THE Gordon Brown BUILDING
495 Mayor St.—400 Ontario St. West, Montreal

In 1887 Sir John A. Macdonald stated:

***Business Papers have a powerful effect upon their readers**





. . . and so state scores of leading business executives today. Read what a few of them say:

*From a letter written by Sir John A. Macdonald in 1887 to the editor of a Canadian business newspaper

"In making our salesmen's time more productive, business paper advertising helps enormously!"—W. H. Evans, General Manager, Minneapolis-Honeywell Regulator Company Limited.

"For many years this company has been using a substantial list of business papers to carry its advertising messages. The soundness of this policy is indicated by the growth of the company over the past half century, which has paralleled the great industrial development of Canada. The business papers of Canada that are well edited and fulfill a definite need have given this company the most economical and effective medium for our industrial advertising"—John O. Pitt, Advertising Manager, Canadian Fairbanks-Morse.

"We have always considered business papers an essential medium for the promotion of our products. Our use of these publications is always kept at a very high level in our advertising program and our expenditure varies very little from year to year"—E. M. Yale, Director of Sales, Charles E. Frosst & Co.

"Each year we have used all the business papers that reach fields where 'Cellophane' is used or where potential markets exist. Practically all forms of advertising were used at different times for different purposes, but one of the essential elements of contact to our customers and prospects has been, and is, our continuous campaign in the business and trade press''—Mr. Spalding Black, Manager, Product Advertising, Canadian Industries Limited.

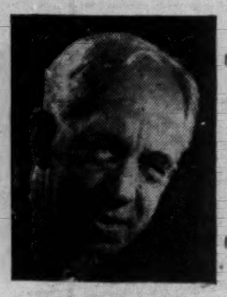
"Where business papers are well-edited and properly aimed at the reader groups they are intended to cover, we feel they provide a valuable and economical medium for our advertising messages."—H. H. Rimmer, Canadian General Electric Company Limited.

This paper is a business paper—one of 100 trade . . . technical . . . service . . . and management publications covering every section of Canadian business and industry, and each a member of The Business Newspapers Association of Canada, 137 Wellington St. W., Toronto, Canada.

BNA

When you want to talk Business use a Business Paper

THE FINANCIAL POST IS A MEMBER OF THE BUSINESS NEWSPAPERS ASSOCIATION



Sandwell Here

By B. K. SANDWELL

IN THE PRESENT PRECARIOUS BALANCE of the world between peace and war, it seems a very fortunate thing that no major legislative body, no conference of nations, no gathering of international experts, was sitting within the area of the Great Hot Spell during the past three weeks. An outburst of ill temper, such as becomes natural and almost inevitable after a long struggle with the heat, could in such a gathering easily provoke animosities which might end in worldwide slaughter.

The guard which wise men in high places have to place upon their tongues in these inflammable days can be broken down by a few hours of boredom and discomfort, and a single phrase once spread upon the record can never be recalled. The general public, I suspect, has no conception of the discipline which the dozen men who are now most responsible for peace and war in the world have learned to place upon their tongues whenever they speak to be overheard.

Canadians may well be proud of the fact that their own representatives have not only set an example of tact in what they say, but have been among the foremost conciliators by what they do. Both in NATO and in the Far East, Canada stands before the world as an able and consistent advocate of the pragmatic, the tolerant and the non-doctrinaire course. Perhaps the fact that our own domestic politics have always been marked by the qualities of caution and compromise has made our top people exceptionally skilled in the application of those qualities in international affairs.

Is This Routine Sacred?

I WAS MUCH INTRIGUED by a letter in the Toronto Telegram, during the time when the milk strike was momentarily expected, which deplored the shocking conditions under which the daily workers would have to work if the five-deliveries-a-week system were insisted on. "Now," said the writer, "the dairy workers have a long week-end off every five or six weeks. With no-Wednesday delivery the rotating system of days off would cease, leaving only Wednesday and Sunday as days of rest. Would the average consumer prefer to work under these conditions?"

My first reaction on being asked to break my heart over the plight of a group of workers who have "only Wednesday and Sunday as days of rest" and no "long week-end off every five or six weeks" was to reply that after all they do not have to deliver milk if there are other occupations that they would prefer. I realized very soon, however, that that is not an argument that can be resorted to in this middle of the twentieth century.

In these days a man who has been delivering milk, and has joined a union, is supposed to be entitled to go on delivering milk so long as he pays his union dues, and to have his union fix things so that the conditions of his job will be as good as those of any other job that he could possibly obtain. His two days off per week must absolutely be arranged so that they fall together as often as possible and thus give him a chance to go away on a trip. That the milk business, unlike ordinary factory work, cannot be so organized as to do this without a fantastic addition to cost, at the expense of the milk consumer, makes no difference. That there are alternative methods of distributing milk, besides the house-to-house method, makes no difference. The Milk Board apparently must see to it that these alternative methods shall not seriously compete with the delivery system.

That Workers' Paradise

THE LABOR GAZETTE, which enjoys the immense advantage of not having to balance its income and its expenditures, continues to purvey a solid body of information on matters relating to labor in all parts of the world, much of which could only be obtained otherwise by the perusal of an immense number of official documents. In its last issue it gives five pages of the report of the United Nations' International Labor Office committee on the cases of forced labor which the committee has found in Bulgaria, Czechoslovakia, Romania, the Soviet Union, South Africa, and less seriously in three or four other countries. It would be nice to hope that the paragraphs of this report dealing with the Soviet Union would be read by those Canadians who have been sympathetic to that nation on the ground that its administrative system is good for the workers; but it would probably be unwise to hope so with any confidence.

The astonishing thing is that the language which the committee uses to demonstrate the evils of the Soviet system of forced labor is almost identical with that which Soviet writers and statesmen use in holding it up to general admiration.

"Given the general aims of Soviet penal legislation, its definitions of crime in general, and of political offences in particular, the restrictions it imposes on the rights of the defense in cases involving political offences, the extensive powers of punishment it accords to purely administrative authorities in respect of persons considered to constitute a danger to society, and the purpose of political re-education it assigns to penalties of corrective labor served in camps, in colonies, in exile and even at the normal place of work, this legislation constitutes the basis of a system of forced labor employed as a means of political coercion or punishment for holding or expressing political views, and it is evident from the many testimonies examined by the committee that this legislation is in fact employed in such a way."

Of course. The Soviet people boast that it is. The only difference is that they consider it entirely justified in dealing with anybody whom they consider "a danger to society," that is to say, with anybody who does not believe in the Soviet system. Anybody who does not believe in the Soviet system must be made to.

Religion vs. Education

THE LEGISLATION which set up University College, soon to celebrate its centenary, placed the financial control of the available funds, the enactment of university statutes, the conduct of examinations and the conferring of degrees in the hands of the University of Toronto, operating chiefly through its Senate. University College was to do the teaching and was to be the first of what it was hoped would be a considerable group of affiliated colleges, including some or all of the denominational colleges which had sprung up in the previous twenty years. But the denominational colleges at that time were not at all ready to come in. "It is not known that they ever sent up a student for examination." The examiners appointed by the Senate were practically all of them teachers in University College. Moreover "The Senate was required, first, to make provision for the expenses of the University, and next for University College, and then the surplus, if any, was at the disposal of Parliament for the assistance of higher education." There never was any surplus. The magnificent building in the centre of the university is supposed to have been one of the means by which the Senate ensured that there never should be. It was built between 1856 and 1859, at a cost of about $350,000.

The state university in those days could expend about $50,000 a year; its denominational rivals got along on about $10,000 each. For years after 1853 the problems of higher education in Ontario were bedevilled by the conflicting demands of all these bodies for a larger share of the public funds, and it was not until the denominational colleges became strong enough to succeed by means of voluntary subscriptions and private endowments, and realized that only by those means could they compete with the wholly secular, because state-supported, University College, that a better feeling among the participants in higher education began to develop, and religious differences began to give way to a common concern for the best possible education for all citizens capable of receiving university instruction. The lead in this divorce of education from religious control was certainly provided by University College, from its earliest days.

How Gains, Losses Now Shape In Canada's Trade Abroad

OTTAWA (Staff) — Canadian exports this year on seven months' figures show at only 3.3% below last year. June and July both showed an increase over the same months in 1952. August, however, cannot be expected to show up as favorably, because of the slump in wheat shipments. But if Canada can keep to the 5½% decline of the first six months it will be doing very well compared with the 14% drop in commercial exports from U. S.

The feature of July exports was a "one-time-only" boost in shipments to Britain. At nearly $81 millions, Canadian exports to U.K. were higher than they have been in any month except May and June of last year. But this was nearly all due to large wheat shipments to close out last year's contract before Aug. 1.

These were large enough to offset declines in all other groups (except for a slight increase in wood and products). They will not be repeated in the August figures.

General Pattern Unchanged

The one-month boost in U. K. figures does not change the general pattern of export trade, which is still dominated by the need of our overseas customers to save dollars. Increased exports to the U. S. continue to provide some offset for reduced sales in every other area, without being enough to compensate for them, either in quantity or in kind.

Over the seven months ended July 31, total domestic exports were $80 millions lower than last year, despite the huge wheat sales. An increase of $97 millions to the U. S. was offset by declines to all other major areas. These were the declines:

	Million
United Kingdom	$75
Other Commonwealth	$29
Latin America	$54
Europe	$19
Other foreign	$0.7

Dollar-saving measures by practically all the world outside North America account, directly or indirectly, for nearly all of this decline. U. S. exports are feeling this effect even more acutely.

Commodity Breakdown

In terms of commodities, here are some of the principal changes in export sales compared with last year (7-month figures in each case):

Wheat and wheat flour together were only $2.5 millions higher than last year. ($403 millions against $405.5 millions).

In spite of the lifting of the foot-and-mouth embargo, cattle sales to U. S. reached only $8 millions against last year's $4 millions. But the animal products group as a whole was $10 millions higher.

Textiles were down from $19 millions to $13 millions, with the main drop in cotton products ($1.9 m. against $5.3 m).

In the whole wood and paper group, the only increases this year were in newsprint ($351 millions against $332 millions) and shingles ($12 millions against $10.7 millions). Woodpulp was down to $140 millions from $190 millions; pulpwood down to $22 millions from $34 millions; planks and boards down to $164 millions from $172 millions.

In the iron group, exports were higher of iron ore, pigs, ingots, blooms and billets, and of rolling mill products, also of scrap iron. But these were more than offset by drops in the following big items:

	Million	Million
Farm implements	$59	($74)
Other machinery	$23.5	($28)
Trucks	$14.5	($35)
Cars	$23	($31)

The non-ferrous metals group is mixed. Aluminum is up this year from $91 millions to $102 millions. Copper is up from $67 millions to $82 millions. Zinc shows the biggest drop: $40 millions ($65m). July exports were little more than half July of last year. Lead at $29 millions ($23 m) has dropped less but in July exports were only $1.6 millions compared with last July's $5.2 millions.

Electrical apparatus and other non-ferrous products, on the other hand, show an increase this year.

The chemical group as a whole was about $8 millions higher.

In all these comparisons it must be remembered that these are in value terms. Prices are running about 2½% below last year. The volume of exports is just about the same as in the same period of 1952.

Profitable Operation Requires Adequate Capital

Capital requirements of corporations usually change with business conditions. Plant expansion, modernization of existing plant or more working capital often mean more profits.

We shall be pleased to discuss, without cost or obligation to you, methods of providing additional funds for your particular need.

DOMINION SECURITIES CORPN. LIMITED

Underwriters and Distributors of Investment Securities since 1901

TORONTO MONTREAL NEW YORK LONDON, ENG. WINNIPEG CALGARY VANCOUVER VICTORIA LONDON KITCHENER BRANTFORD HAMILTON OTTAWA QUEBEC HALIFAX SAINT JOHN

50 King Street West, Toronto, Canada

BOOKS FOR BUSINESSMEN

POPULATION MAPS AND PLACE GUIDES, compiled and published by Sanford Evans Statistical Service, Winnipeg; maps and place guides, Ontario, $25, Quebec, $25, Manitoba, $15, Saskatchewan, $15, Alberta, $15, B. C., $15, Maritimes-Newfoundland, $20; complete set, $115. Place guides separately, Ontario or Quebec, $7.50 each; other areas, $15 each, complete set, $35. Sales tax extra.

These maps are partly based on census data, partly on the publisher's own survey. Municipalities and townships are shown with population in 1951 and 1941, urban and rural breakdown, and number of farms. Further information with maps gives racial origins and other information. Place guides and maps makes it possible to locate any place with a name. Whereas census gives populations of only 75 places in Manitoba, place guide gives 545 places with populations large enough to record. Gives railway place is on or near. Maps measure 36 in. by 24 in., printed in colors.

THE

WATERLOO

MUTUAL FIRE INSURANCE COMPANY

A purely Canadian company, established in 1863 and which pioneered in the FIRE insurance field.

Now offering the Canadian public sound

FIRE
AUTOMOBILE
and CASUALTY
COVERAGES

"DEPENDABLE INSURANCE PROTECTION"

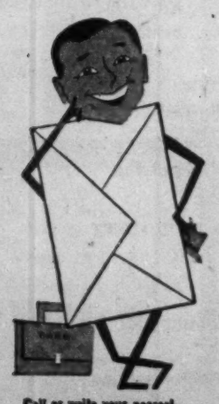
HEAD OFFICE: WATERLOO, ONTARIO

G. N. HUNTER, Gen. Mgr.

"BARBY" gives clearer picture with CV*...

"Window envelopes save us a lot of typing time and money," said the manager of the trust company. "It's an item that adds up to a worthwhile sum on the year's operation."

"That may be so," said the president. "But I wonder if mailing cheques to shareholders in ordinary window envelopes is good for the prestige of the company."



Said the purchasing agent. "If we need a better envelope, let's call in BARBY. After more than 75 years in the envelope business he should know what to advise us!"

BARBY calmed the president's fears with his *CELLOVISION Window Envelope. The Cellovision window gives the envelope a smart, modern appearance with high prestige appeal. The crystal clear view of the address eliminates mailing errors, too. If YOU have an envelope problem, why not let BARBY advise on your needs. Barber-Ellis makes a size and style of envelope for every purpose, and they're made right to seal tight. *Trade Mark Reg.

Call or write your nearest Barber-Ellis Sales Office:
HALIFAX • MONTREAL • TORONTO
BRANTFORD • WINNIPEG • REGINA
CALGARY • EDMONTON • VANCOUVER

ENVELOPES BY BARBER-ELLIS
SALES AND SERVICE COAST TO COAST

Hertz Operations To Remain As Is Under U.S. Owner

The recent purchase of the Hertz Drivurself business from General Motors Corp. by Omnibus Corp. of Chicago will not result in any change of the Hertz system in Canada, other than to increase promotion.

Omnibus Corp. purchased the Hertz organization for approximately $11 millions after GM had decided to divest itself of the business.

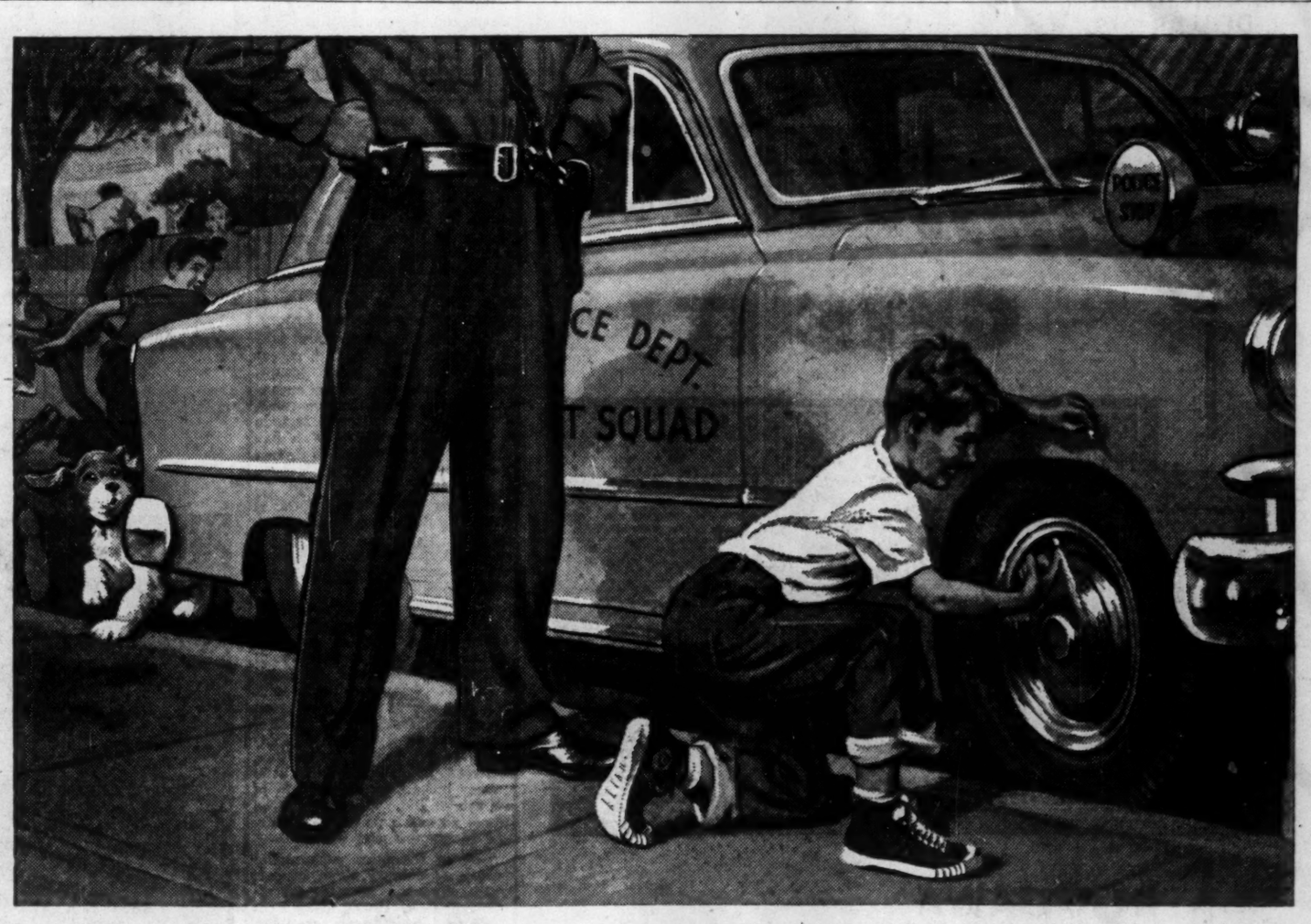
The business consists of 29 Hertz car and truck rental stations and their cars and the Hertz franchise system of 531 franchises held by independent operators who use the Hertz name and are members of the airline-railway-auto credit car system.

At present no Hertz-owned stations exist in Canada—only franchises. The last Hertz-owned stations at Toronto, Montreal, Hamilton and Ottawa were sold in 1931. Since then, all Canadian Hertz stations have been operated by independent owners under the North American franchise system.

There would be no change in the credit card system which is in operation at 70 major city airports in the U. S. and at Malton, outside Toronto. At Malton this business has tripled over the last year.

GM decided to get out of the car rental business, it's understood, because of sales resistance met from other rental companies while GM was in consumer rental as well as manufacturing.

Omnibus Corp. of Chicago operates bus lines in various U. S. cities.



*POLYSAR *stops air loss, too*

It is probably weeks since you checked the air pressure in your tires. And in large measure that is because almost 100% of inner tubes in Canada are now made from Polysar Butyl, a material with far higher air-retention values than natural rubber. This quality also contributes to the success of the new tubeless tires.

Today, Polymer research and development technicians brush aside the imperfections of nature and use chemical science to give a wide variety of consumer and industrial products new qualities with Polysar materials.

The hose that feeds gas into your car—or oil seals and gaskets in motor and running gear—all have essential resistance to oils, gasoline and grease built into their basic materials. In dozens of products for home and industry, better qualities are added because Polysar is chemically formed to provide these special virtues.

Chemically controlled rubber has produced such outstanding superiorities in finished products that, today, 50% of all new rubber used in Canada is Polysar.

Polymer Corporation Limited, Sarnia, Canada

For Instance...

Today's jet aircraft have increased flying range owing to flexible rubber fuel tanks built to fit every available space. These rubber tanks must withstand deteriorating action of jet fuel—an outstanding property of Polysar N.

• • •

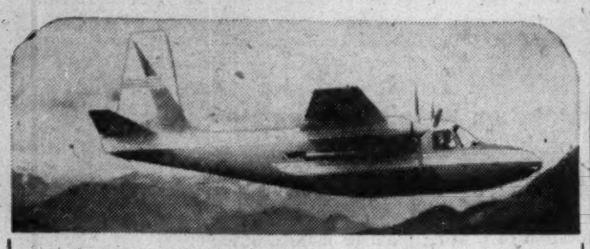
New types of shoe-soling developed in the post-war period are light in weight, moisture-proof and do not mark floors and most important to the consumer, they outwear leather. Polysar SS-250 is the basis for well-known brands of this type of sole. Rubber floor tile made with Polysar SS-250 and Polysar S is long wearing, easy to walk on and pleasing to the eye.

• • •

Tire treads now last longer because of the high abrasive resistance built into them with Polysar Krylene (cold-rubber).

*Registered trade mark

Man-made materials chemically controlled to improve many existing products and create new ones



. . . are you a "Business" Flyer?

If you are a "going-places" executive, we urge you to let us flight demonstrate this new business plane, the Aero Commander . . . a modern tool of modern business. Combining small-plane economy with large-plane (twin-engine) safety it gets you there fast (197 mph) in air-conditioned comfort. We invite you and your company's officials to check hop the Aero Commander and see why so many business houses are choosing it as an addition to their fleets or as a first plane. Literature is available too from the Canadian distributor:—

THE Babb COMPANY (CANADA) LTD.

Montreal Airport Dorval, Que. — 100 Examiner Bldg. Calgary, Alta.

YOUR WILL . . .

and 2 Wise Precautions

(1) Have your will carefully drawn by your lawyer.

(2) Name Chartered Trust as executor in that will.

Consult our experienced trust officers for advice and information. There is no obligation.

CHARTERED TRUST COMPANY

CHARTERED TRUST COMPANY

20 St. Clair Ave. West TORONTO — 388 St. James St. West MONTREAL

34 King St. West, TORONTO

THE CONSUMER DOLLAR

TEAMWORK GETS IT!

IN OTTAWA

Larocque sells the big family French-speaking market through "Le Droit".

IN OTTAWA

Over 400 national advertisers, merchandising through retail outlets, also use "Le Droit" to sell this rich and growing market.

40th ANNIVERSARY

Le Droit

1913-1953

THE RETAILER AND THE MANUFACTURER

Head Office & Plant, 368 Dalhousie St., Ottawa—H. E. Lemieux, Director of Advertising
Toronto Branch Office, 112 Yonge St., EMpire 3-9903 — Vern B. Moore, Manager.
U.S. Representatives — Shannon and Associates.

LE DROIT DAILY CIRCULATION OVER 26,000

One Night Or 10 Weeks, Investors Choose Courses

Offer to teach Canadian men and women how to invest their money, and you'll draw an audience every time. That's the conclusion reached by sponsors of several investment courses, with years of experience in telling the public what finance is all about.

Registrations are now pouring in for this fall's "how to invest" courses. With lectures, movies and correspondence lessons offered, Canadians have a wide choice of methods of learning basic investment principles.

Here are the two main types of courses open to potential students of investing:

—Ten-week series of lectures, with homework.

—"One-night stands," usually consisting of a film, a lecture and a question-and-answer period.

For five years, the Investment Dealers Association and the University of Toronto Extension Department have been offering correspondence courses and in-person lecture courses annually.

This year, for the first time, three other universities will join I.D.A. in helping to bring investment fundamentals to Canadians. University of British Columbia and University of Manitoba will offer the time-tested U. of T. lessons by mail, while a French version will be available from a Quebec university — probably University of Montreal.

Last year, 575 men and women took the I.D.A. - U. of T. correspondence course. Each week, lessons went out by mail to students as far away as Hawaii and Peru. Engineers and executives were the largest occupational groups, but the lessons were also followed faithfully by prospectors, a fur trader, an airline pilot and a yacht broker.

Enrollment is expected to rise this year, said I.D.A. Director of Education H. L. Gassard, although much depends on public interest in the stock market at the time of registration.

Public lecture courses were given last year by I.D.A. in co-operation with educational authorities in Vancouver, Edmonton, Moose Jaw, Regina, Saskatoon, Winnipeg, London, Hamilton, Guelph, Toronto, Kingston and Montreal, including a course in French at the University of Montreal. Lectures will be repeated this year in most of the same centres, with the probable addition of Victoria, Calgary and Halifax.

These courses all follow the pattern of the University of Toronto lectures. With an enrollment of 240 Torontonians last year, the investment lecture series drew more students than any other course offered by the university's extension department. Here is its curriculum:

—Background for investment.
—Bonds and debentures.
—Common and preferred shares.
—How to understand financial statements (two lectures).
—Bonds to buy for security and income.
—Preferred shares to buy for security and income.
—Common shares to buy for income and profit.
—Investment management.
—Building the investment portfolio.

But if the investor finds a 10-week course too arduous, one-night programs are widely available. The I.D.A. plans to hold public lectures in a number of cities, including London, Kitchener and Ottawa. Format includes a movie, sandwiched between short talks.

Investors in the Toronto area last week turned out — some 450 strong — for a similar lecture offered by the U. S. investment house of Merrill Lynch, Pierce, Fenner & Beane on two successive evenings. The initial program drew 300 people, some from as far away as Barrie, although it was held on the hottest day of Toronto's meteorological history.

The Merrill Lynch show will soon go on the road, with repeat performances for church groups, service clubs and other organizations in several Ontario cities. Features of the program include a movie short entitled "Fair Exchange," talks by Merrill Lynch executives, and a question period.

A similar program will be offered by Wood Gundy & Co. at Toronto's Royal Ontario Museum, on Sept. 15. Given annually for the past five years, the Wood Gundy course is designed for women.

Attendance at the Investment Dealers Association's lectures is about evenly divided between women and men, according to Educational Director Gassard. Most investment students, he said, fall into one of three categories: older businessmen and professional people with money to invest; young people or couples, between 25 and 30, with little money but a keen desire to build an estate; and young people who are — or who hope to be — working in the financial world.

One of the most encouraging results of courses given in past years, according to some investment dealers, is the change in students' investment methods. Many have become intelligent investors who in the past were easy prey to every hot — and costly — tip that came their way.

Can. West Grain Elevator System Bought by Ogilvie

From Our Own Correspondent

WINNIPEG—The Ogilvie Flour Mills Co. has bought the line elevator system of Canada West Grain Co. of Winnipeg for $517,000.

Sixteen elevators are included in the deal, only two in Manitoba, one at St. Boniface and one at Mollard. All the others are in Saskatchewan, the largest ones at Melfort, North Battleford, Meadow Lake, Kelvington, Gravelbourg, Prince Albert, and Buchanan.

The deal includes transfer of storage contracts for grain held in storage for the Canadian Wheat Board.

Canada West Grain Co. has its head office in St. Boniface. It was incorporated by Dominion charter in 1950 with an authorized capital of $250,000 with shares of $100 par value of which 1938 have been issued as fully paid.

H. G. Dazson, of Winnipeg, is president; there are 11 directors. With exception of one director J. A. Dawson, Edmonton, all the others are in Winnipeg.

R. & M. BEARINGS CANADA LTD. net profit of $55,163 for year ended June 30, 1953, was 45.5% lower than previous fiscal year's net of $101,286.

Sales in the last half of 1952 were adversely affected, reports President K. R. Schofield, but in 1953 volume has increased steadily.

INCOME ACCOUNT

Years Ended June 30:	1953	1952
Gross trade profit	$404,878	$522,656
Net earnings	97,178	226,084
Less: Deprec.	7,515	6,798
Income tax	34,500	118,000
Net profit	55,163	101,286
Less: Cl. A divds.	8,400	8,400
Cl. B. divds.	7,200	7,200
Surplus for year	39,563	85,686
Earnings per Share and Dividend Record:		
Class A†	$7.58	$14.47
Class A*	1.30	1.30
Paid	1.20	1.20
Class B†	7.91	15.60
Class B‡	7.68	15.36
Paid	1.20	1.20

†Before (after) participation.
*Maximum available in year under participation clause.

CONDENSED BALANCE SHEET

As at June 30:	1953	1952
Cash	$73,787	$40,428
Accts. rec.	246,479	253,046
Inventories	307,229	353,023
Total curr. assets	627,495	646,499
Prepaid Exp.	2,614	1,350
Fixed assets*	60,950	59,239
Goodwill	10,000	10,000
Total assets	701,059	717,192
Accts., etc., pay	216,031	225,349
Taxes pay	25,138	70,162
Total curr. liabs.	241,170	295,551
Mtge. pay.	10,629	11,989
Capital stock	10,000	10,000
Earned surplus	439,261	399,697
*After depr. of	31,783	24,269
Working capital	386,326	350,988

Gen. Dynamics Cancels Plans For New Common

MONTREAL (Staff) — General Dynamics Corp., after temporarily delaying a new offering of 250,000 common shares earlier this year because of uncertain market conditions, has now decided to call off the issue entirely. Last week, it filed application with the U. S. Securities & Exchange Commission to withdraw the registration statement.

Original plans called for sale of 250,000 shares (60,000 of them in Canada through Greenshields & Co.), with the proceeds to be used to prepay an $8.7 million bank loan incurred in connection with the company's purchase of 400,000 shares of Consolidated Vultee Aircraft Corp.

When the plans were announced, the stock was trading at around $37. It then started to ease off and the issue was delayed. Now, it's down to about $32.50.

The bank loan is due in installments over about a five-year period. While President John Jay Hopkins did not say how this is being financed, he did report that the company has no present intention of securing further capital through the issue of equity securities.

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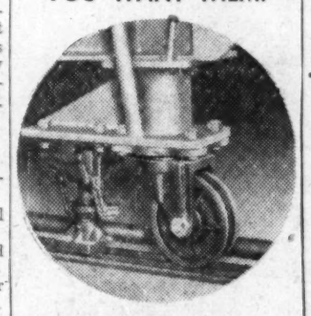

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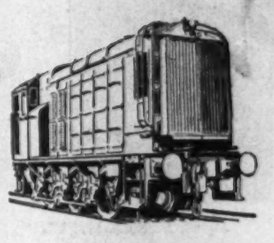
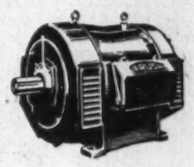
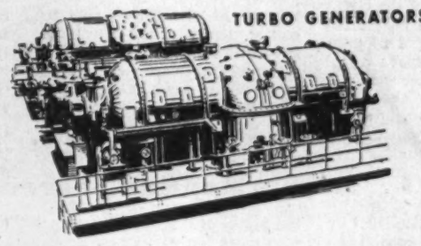


DIESEL ELECTRIC LOCOMOTIVES



'T' TYPE MOTORS



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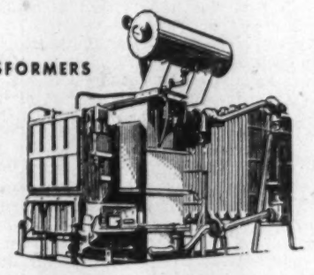
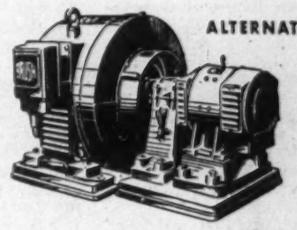
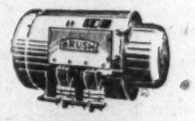
TRANSFORMERS





ALTERNATORS



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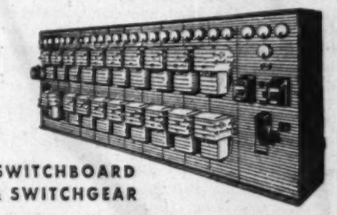

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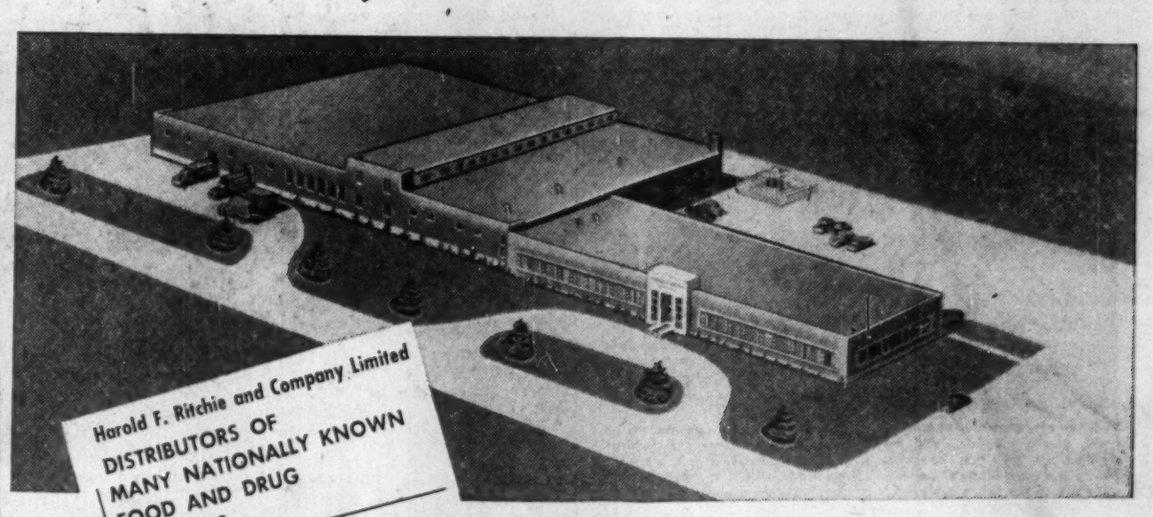

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The Boom Continues In Real Estate

But Prices Old Homes Vary Widely

By HARLEY POTTER

A growing commercial property boom, a housing boom with plenty of steam left, and a price picture that is mixed.

That's the word from men close to real estate in 28 cities and areas across Canada. They replied to a survey by the Canadian Association of Real Estate Boards; results have just been released.

In 10 centres real estate men expect even bigger dollar volume than in 1952, a year that smashed the all-Canada record. And in 13 others, they see no downturn.

Prices are showing effects of the pace too. Prices of commercial properties are higher than last year in 16 cities, are no lower in 10 others. New residential property comes higher in 13 cities, no lower in 13 others.

Main soft spot is prices of older residential properties. They are turning over with lower tags than last year in 16 cities, are up in only two cities.

Demand for commercial properties is higher in 11 cities, no lower in 10. The note's a bit softer in demand for residential properties, up in eight cities, no lower in 14.

Supply is making swift strides after demand in residential property to rent. You will find more space available to rent in 18 out of 28 cities. You will find less in only three.

But rents show no sign of weakness. They are higher in 10 cities, unchanged in 18, compared with last year. In not one centre did real estate men report lower rents than last year.

In only four centres do realtors think the saturation point is being approached. In 13 they think they are definitely not reaching it. In the rest of centres, they see no change in the situation.

Centres where realtors see saturation looming up are Regina, the Niagara district ("by the end of 1953," they replied), Peterborough and Hamilton.

Centres where new residential property costs more are Halifax, Sherbrooke, Hamilton, Fort William, Kitchener, London, Sudbury, Toronto, Windsor, Winnipeg, Regina, Edmonton and Victoria. Only places where new homes cost less, according to the survey, are Quebec City and Brantford.

Two places have higher prices than last year for older residential property. They are both in the West, Calgary and Fort William.

A host of centres report lower prices for older housing though: Halifax, Montreal, Quebec, Sherbrooke, Brantford, Chatham, Kitchener, London, Ottawa, Peterborough, Brandon, Regina, Lethbridge, Kamloops, Victoria, West Vancouver.

Prices are holding in most of the big Ontario centres, as they are in most main western cities, Winnipeg, Edmonton, Saskatoon, Vancouver.

Commercial properties are up in price at points all across the country. But there are notably few Ontario points in the list. These cities are: Halifax, Sherbrooke, Brantford, Fort William, Ottawa, Sudbury, Toronto, Brandon, Winnipeg, Regina, Calgary, Edmonton, Lethbridge, Kamloops, Vancouver, New Westminster.

Only Montreal and Quebec indicate lower commercial prices. Seven of the 10 centres where prices are unchanged are in Ontario.

Places where you can find more "To Rent" signs on housing accommodation are spread all across the country: Halifax, Montreal, Quebec, Brantford, Chatham, Hamilton, London, Niagara District, Ottawa, Peterborough, Sudbury, Toronto, Windsor, Winnipeg, Edmonton, Lethbridge, Vancouver, Victoria. Only Sherbrooke, Fort William and Kamloops report less residential space to rent.

But rents are higher than last year only in Sherbrooke, Chatham, Fort William, Hamilton, Peterborough, Windsor, Winnipeg, Regina, Lethbridge, Kamloops.

An increasing demand for residential rental space is found in only a few cities. And not all of them report either more space to rent or higher rents. They are Halifax, Sherbrooke, London, Kamloops, New Westminster, Brandon.

Less mortgage money available than last year is the report of all but one centre. This answer is of unusual interest in view of the fact lending institutions and the government report more money being lent on real estate first mortgages than last year. However, supply is tight relative to demand and this may create an impression of absolute scarcity. Second mortgages are particularly important to the realtor, of course.

Amount of loan on individual new residences is reported as decreased in 10 centres; increased, in five. Only two centres report larger loans available on old residential properties. They are Hamilton and Kamloops. Twenty centres say lower loans are available on individual old residential properties.

Larger individual loans to help the commercial boom are available only in two smaller centres, Brandon and Kamloops, according to the survey. Smaller commercial loans are available in Halifax, Chatham, Fort William, Hamilton, Niagara district, Winnipeg, Regina, Lethbridge, West Vancouver and New Westminster. Situation is unchanged elsewhere.

Interest rates are higher than last year in Halifax, Montreal, Sherbrooke, all Ontario centres reporting, and all the western centres. Only Quebec City reports no change in interest rates.

Farm land prices are lower than last year in a number of parts of Eastern Canada, the survey indicates. Centres which report this situation are: Halifax, Sherbrooke, Chatham, Hamilton, Kitchener, Niagara district. Only two eastern centres, Toronto and Peterborough, report higher farm land prices.

In the West, three centres of those which replied have higher farm land prices. They are Winnipeg, Regina, Lethbridge. Others which answered said prices were unchanged last year.

IS THE TREND TOWARD DECENTRALIZATION?

Here are the opinions of representative real estate men in 28 cities across Canada as to whether stores, offices and factories are moving out from the centre of their city:

	Commercial	Office Space	Mfg.
Nova Scotia			
Halifax	Yes	Yes	Yes
Quebec			
Montreal	Yes	No	Yes
Quebec	No	No	No
Sherbrooke	No	No	No
Ontario			
Brantford	Yes	No	Yes
Chatham	Yes	Yes	Yes
Fort William	Little Change		—
Hamilton	Unchanged	Unchanged	Unchanged
Kitchener	Yes	Yes	Yes
London	Yes	Yes	Yes
Niagara Dis't	Yes	—	Zoned
Ottawa	Yes	Yes	Yes
Peterborough	Yes	No	Yes
Sudbury	Yes	No	Nil
Toronto	Yes	Yes	Yes
Windsor	Yes	Yes	Yes
Manitoba			
Brandon	Yes	No	Yes
Winnipeg	Yes	Unchanged	Yes
Saskatchewan			
Regina	Yes	Yes	Yes
Saskatoon	Yes	No	Yes
Alberta			
Calgary	Yes	Yes	Yes
Edmonton	Yes	Yes	Yes
Lethbridge	Yes	Yes	Yes
British Columbia			
Kamloops	Yes	No	Yes
New Westminster	No	No	No
Vancouver	Yes	Yes	Yes
Victoria	Yes	Yes	Yes
W. Vancouver	Yes	Yes	—

RESULTS & ANALYSIS OF SURVEY BY THE CANADIAN ASSOCIATION OF REAL ESTATE BOARDS
(All comparisons with 1952)

Province and City	General Outlook for 1953 Turnover	Anticipated Demand for Res.	Anticipated Demand for Comm.	Unsold Newly Constructed Residences	Is Saturation Point Being Reached?	Prices of New Residential Property
Nova Scotia:						
Halifax	Decrease	Decrease	Increase	No	No	Increase
Quebec:						
Montreal	Increase	Increase	Unchanged	Unchanged	Unchanged	Unchanged
Quebec	Decrease	Unchanged	Decrease	Unchanged	No	Decrease
Sherbrooke	Increase	Unchanged	Increase	Unchanged	No	Increase
Ontario:						
Brantford	Decrease	Decrease	Increase	Unchanged	Unchanged	Decrease
Chatham	Unchanged	Increase	Decrease	Unchanged	No	Unchanged
Fort William	Increase	Increase	Unchanged	Unchanged	No	Increase
Hamilton	Increase	Increase	Unchanged	Unchanged	Approaching	Increase
Kitchener	Unchanged	Unchanged	Decrease	Increase	No	Increase
London	Decrease	Decrease	Unchanged	Unchanged	Unchanged	Increase
Niagara District	Unchanged	Unchanged	Unchanged	Increase	By end of 1953	Unchanged
Ottawa	Unchanged	Unchanged	Unchanged	Increase	Unchanged	Unchanged
Peterborough	Unchanged	Decrease	Decrease	Unchanged	Approaching	Unchanged
Sudbury	Increase	Increase	Increase	Unchanged	Unchanged	Increase
Toronto	Slight Increase	Unchanged	Increase	Unchanged	No	Increase
Windsor	Increase	Increase	Unchanged	Unchanged	No	Increase
Manitoba:						
Brandon	Increase	Unchanged	Increase	Decrease	Unchanged	Unchanged
Winnipeg	Unchanged	Unchanged	Unchanged	Decrease	Unchanged	Increase
Saskatchewan:						
Regina	Unchanged	Decrease	Increase	Unchanged	Yes	Increase
Saskatoon	Increase	Increase	Increase	Unchanged	Unchanged	Unchanged
Alberta:						
Calgary	Unchanged	Unchanged	Increase	Unchanged	Unchanged	Unchanged
Edmonton	Unchanged	Unchanged	Decrease	Decrease	Unchanged	Unchanged
Lethbridge	Slight Decrease	Decrease	Fair Demand	Unchanged	No	Unchanged
British Columbia:						
Kamloops	Increase	Increase	Increase	No	No	Unchanged
New Westminster	Unchanged	Unchanged	Unchanged	Unchanged	No	Unchanged
Vancouver	Unchanged	Unchanged	Increase	No	No	Unchanged
Victoria	Unchanged	Unchanged	Unchanged	Unchanged	—	Increase
W. Vancouver	Unchanged	Unchanged	Decrease	Increase	No	Unchanged

Province and City	Prices of Old Residential Property	Prices of Commercial Property	Demand for Residential Property to Rent	No. of Residential Units Available to Rent	Rents of Residential Properties	Farm Land Prices
Nova Scotia:						
Halifax	Decrease	Increase	Increase	Increase	Unchanged	Decrease
Quebec:						
Montreal	Decrease	Decrease	Decrease	Increase	Unchanged	—
Quebec	Decrease	Decrease	Unchanged	Increase	Unchanged	—
Sherbrooke	Decrease	Increase	Increase	Decrease	Increase	Decrease
Ontario:						
Brantford	Decrease	Increase	Decrease	Increase	Unchanged	Unchanged
Chatham	Decrease	Unchanged	Decrease	Increase	Increase	Decrease
Fort William	Increase	Increase	Increase	Decrease	Increase	—
Hamilton	Unchanged	Unchanged	Unchanged	Increase	Increase	Decrease
Kitchener	Decrease	Unchanged	Unchanged	Unchanged	Unchanged	Decrease
London	Decrease	Unchanged	Increase	Increase	Unchanged	Unchanged
Niagara District	Unchanged	Unchanged	Decrease	Increase	Unchanged	Decrease
Ottawa	Decrease	Increase	Decrease	Increase	Unchanged	Unchanged
Peterborough	Decrease	Unchanged	Unchanged	Increase	Increase	Increase
Sudbury	Unchanged	Increase	Decrease	Increase	Unchanged	Unchanged
Toronto	Unchanged	Increase	Decrease	Increase	Unchanged	Increase
Windsor	Unchanged	Unchanged	Decrease	Increase	Increase	Unchanged
Manitoba:						
Brandon	Decrease	Increase	Increase	Unchanged	Unchanged	Unchanged
Winnipeg	Unchanged	Increase	Unchanged	Increase	Increase	Increase
Saskatchewan:						
Regina	Decrease	Increase	Unchanged	Unchanged	Increase	Increase
Saskatoon	Unchanged	Unchanged	Unchanged	Unchanged	Unchanged	Unchanged
Alberta:						
Calgary	Increase	Increase	Unchanged	Unchanged	Unchanged	Unchanged
Edmonton	Unchanged	Increase	Unchanged	Increase	Unchanged	Unchanged
Lethbridge	Decrease	Increase	Unchanged	Increase	Increase	Increase
British Columbia:						
Kamloops	Decrease	Increase	Increase	Decrease	Increase	Unchanged
New Westminster	Unchanged	Increase	Increase	Unchanged	Unchanged	—
Vancouver	Unchanged	Increase	Unchanged	Increase	Unchanged	Unchanged
Victoria	Decrease	Unchanged	Decrease	Increase	Unchanged	—
W. Vancouver	Decrease	Unchanged	Unchanged	Unchanged	Unchanged	—

Staff Changes

Chartered banks announce the following staff changes.

Commerce:

J. S. EDGECOMBE, to be assistant accountant, Halifax, N.S.

W. E. GRAY, to be accountant, Stafford & Grosvenor, Winnipeg.

C. H. HARPER, to be assistant accountant, Kingston, Ont.

G. J. MACGOWAN, accountant, Claresholm, Alta., to be accountant, Lethbridge, Alta.

N. McINTOSH, accountant, Lethbridge, to be manager, Beaver Lodge, Alta.

J. W. MORGAN, to be assistant cashier, San Francisco, Calif.

W. D. PRINGLE, accountant, Moncton, N.B., to be assistant manager, Moncton, N.B.

M. G. RAMAGE, assistant accountant, Eighth Avenue West, Calgary, to be accountant, Stony Plain, Alta.

R. S. RICHARDSON, accountant, Stony Plain, Alta., to be accountant, Claresholm, Alta.

F. A. STARK, to be an assistant accountant, Eighth Ave. West, Calgary.

A. L. TIBBITTS, assistant accountant, Halifax, N.S., to be accountant, Moncton, N.B.

• • •

Toronto:

A. F. LEACH, formerly attached to the relief staff at Head Office to manage a new Branch, Lakeshore Road & Third Street, New Toronto.

W. L. BEALES, formerly attached Western Department, Winnipeg, to manage Cardson, Alberta.

DONALD A. ALLAN, formerly accountant, Edmonton West End, to be accountant, Vegreville, Alberta.

WM. H. SNOW, formerly accountant, Hodgeville, Sask., to be accountant, Edmonton West End.

• • •

Royal:

M. M. TOZO, Camaguey, Cuba, to be accountant, Bayamo, Cuba.

J. A. DIAZ, accountant, Bayamo, Cuba, to be accountant, Camaguey, Cuba.

R. S. FOWLER, Stettler, Alta., to be accountant, 113th & 124th, Edmonton.

J. WILSON, Hanover, Ont., to be accountant, Dundas & Wellington, London.

C. A. HANSEN, Standard, Alta., to be accountant, Strathmore, Alta.

J. B. McDONALD, Vernon, B.C., to be accountant, 6th & Princess, New Westminster.

R. J. LOUGHEED, Main & 8th, Vancouver, to be accountant, Prince Rupert, B.C.

G. S. CARD, supervisor's dept., Regina, to be accountant, Moose Jaw, Sask.

E. I. BELLEVUE, Beaver Hall, Montreal, to be accountant, Mount Royal, Que.

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3. Ever help a man get a job? You may have — unknowingly. For life insurance money, invested in ways that enable an industry to expand, has played an important part in providing new jobs for *many* workers — including, perhaps, *yourself.*

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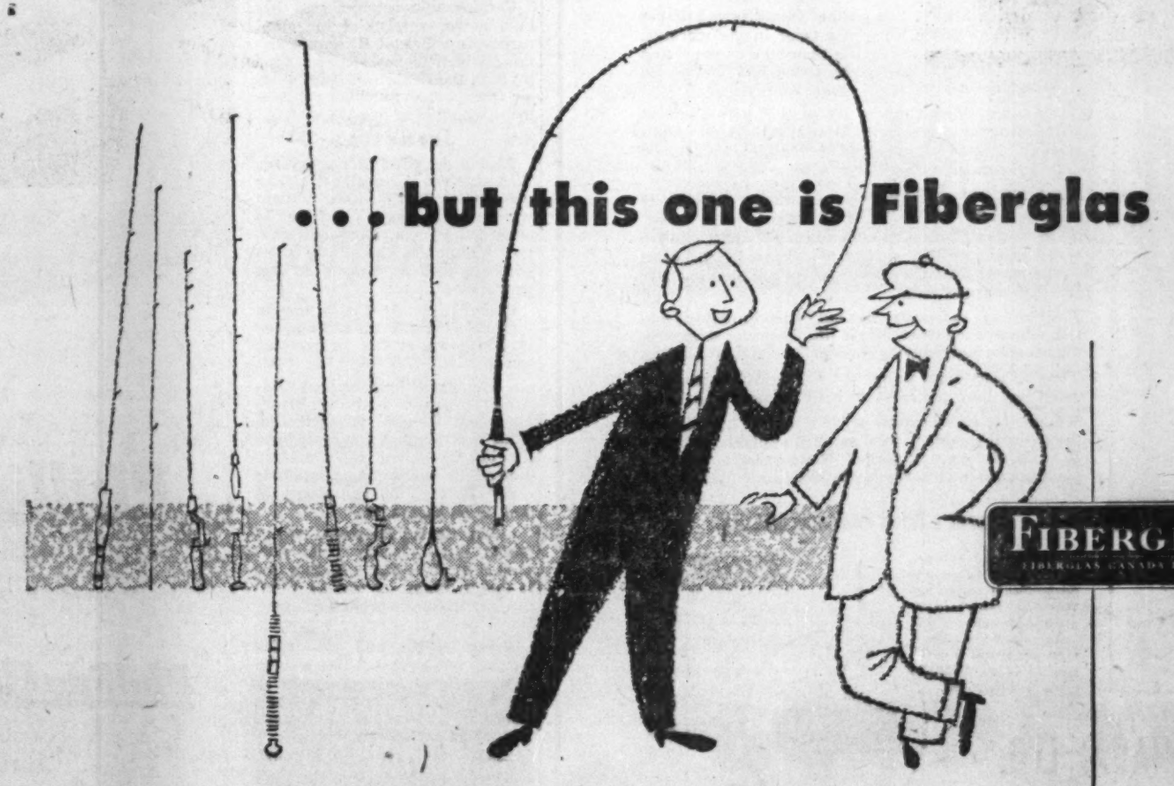

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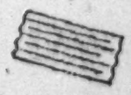

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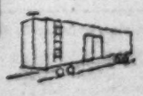

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Failures Continue On Uptrend

What Second Quarter Results Show By Business Groups

Business failures in Canada in the second quarter of 1953 continued the uptrend of recent years, according to statistics compiled by Dun & Bradstreet of Canada Ltd.

Failures in the second quarter of this year numbered 239—three more than in the corresponding 1952 period, 26 more than the 1951 period and 65 more than 1950.

Total liabilities involved in the April-June period of 1953 were $7,773,000, up 35.7% from $5,728,000, in the 1952 quarter. Totals for 1951 and 1950 were $4,598,000 and $3,900,000 respectively.

Average liabilities for each of the 239 second-quarter 1953 failures were $32,523. Average was highest in the manufacturing group—$60,166 for each of the 48 failures.

Largest number of failures was in the retail trade, where 123 firms left liabilities of $2,792,000. Food retailers were the hardest hit, with 25 failures.

Wholesalers, on the other hand, had a comparatively low failure rate. In the second quarter of each of the past four years, no wholesale supply house has failed, and only one wholesaler of automotive products, according to Dun & Bradstreet.

In every category, the amount of liabilities was higher this year than last. In the wholesale trade and commercial service divisions, the totals were more than twice as high this year. Only group to show a reduction in the numbers of failures was manufacturing (48 vs. 57). Here, textiles again headed the list.

The accompanying table shows failures for the second quarter of each of the three years 1953, 1952 and 1951.

	1953 No.	1953 Liabilities ($000)	1952 No.	1952 Liabilities ($000)	1951 No.	1951 Liabilities ($000)
Manufacturing:						
Foods	3	68	9	452	7	181
Textiles	14	825	18	678	18	418
Forest Products	11	407	12	681	15	652
Paper, Printing & Publishing	2	45	2	141	5	156
Chemicals and Drugs	1	22	1	82	2	19
Fuels	1	29	..	...	..	...
Leather & Leather Products	1	24	3	124	1	122
Stone, Clay, Glass Products	..	...	..	...	1	13
Iron and Steel	2	577	1	33	1	2
Machinery	2	169	4	69	1	115
All Other	11	720	7	246	2	26
Total Manufacturing	48	2,888	57	2,506	53	1,704
Wholesale Trade:						
Farm Prod., Food, Groceries	4	128	4	57	5	72
Clothing and Furnishings	2	96	2	240	1	25
Dry Goods and Textiles	3	121	3	30	..	...
Lumber, Bldg. Mtls., Hdwe.	3	333	2	23	..	...
Chemicals and Drugs	3	47	..	...	..	...
Fuels	..	...	..	...	1	129
Automotive Products	..	...	1	10	..	...
All Other	7	343	8	101	9	216
Total Wholesale Trade	22	1,068	20	461	16	442
Retail Trade:						
Foods	25	201	25	402	31	371
Farm Supplies, Gen. Stores	5	95	5	77	7	268
General Merchandise	5	145	6	36	6	164
Apparel	20	656	18	312	11	68
Furniture, H'schold Furn's.	16	808	13	286	8	144
Lumber, Bldg. Mtls., Hdwe.	6	51	5	81	8	162
Automotive Products	19	518	12	567	7	178
Restaurants	11	140	18	182	12	77
Drugs	1	5	3	77	..	...
All Other	15	173	17	173	14	109
Total Retail Trade	123	2,792	122	2,193	104	1,541
Construction:						
General Contractors	11	189	11	331	9	170
Carpenters and Builders	1	8	6	43	2	11
Building Subcontractors	20	551	11	120	15	228
Other Contractors	..	...	..	...	1	34
Total Construction	32	748	28	494	27	443
Commercial Service:						
Cleaners, Dyers, Tailors	2	14	1	2	2	18
Haulage, Buses, Taxis, etc.	5	83	2	11	3	153
Hotels	1	9	4	112	2	144
Laundries	1	3	1	2	2	108
Undertakers	1	4	..	...	..	...
All Other	4	164	1	1	4	45
Total Commercial Service	14	277	9	128	13	468
Total Canada	239	7,773	236	5,782	213	4,598

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VANCOUVER CALGARY WINNIPEG MONTREAL TORONTO LONDON, ENG.

Farnborough Interest at Peak, de Havilland to Show Beaver

De Havilland Aircraft of Canada Ltd. for the second time will be showing a Canadian-made and designed aircraft at the British aircraft industry's Society of British Aircraft Constructors show at Farnborough, England, this month.

The company will be exhibiting a new version of the Beaver, which it's now understood, will be purchased in large quantities by the British Government. (The Financial Post, June 6.)

The new version includes a British Alvis Leonides engine replacing the Pratt & Whitney 400 hp radial engine. Under the deal pending with the British Government, the Beaver fuselages would be built in Canada then shipped to Britain to be fitted with the engine.

The last aircraft de Havilland showed at Farnborough, the Chipmunk trainer, was made under license in the U. K. and sold in large quantities to the British and other governments for training purposes.

Again this year Canadian industry and government interest will be focused on the Farnborough show with a view to seeing new aircraft and engines for possible purchase.

Last year's show assisted in the sale to Trans-Canada Air Lines of 15 Vickers Viscount turbo-prop airliners.

Considerable interest still lies in a newer version of the giant turbo-prop. Bristol Britannia airliner which is now looked upon by both the RCAF and TCA as an air transport and airliner replacement which both need.

Jets for TCA?

Also in the wind is considerable TCA interest in an all-jet airline version of the Vickers Valiant which TCA may purchase to enter the jet age. A further military version of the plane, a jet bomber, will be shown at this year's show.

Canadian interest also lies in the following aircraft and engines to be shown at the forthcoming show:

—The giant four-engined Universal freighter built by Blackburn and General Aircraft Ltd. With rear loading drive-on doors it's ideally suited for Canadian air-freight work being able to carry 22 tons of equipment as well as 42 passengers.

—The Bristol freighter, two of which have already been purchased by TCA and a further one is under option by Pacific Western Airlines for a proposed across-the-Rockies air-charter service.

—The single and twin-rotor Bristol helicopters. The single-rotor helicopter is presently in use by British European Airways, the twin, is to be put into experimental use.

—New jet engines, the Rolls-Royce Avon RA 14, and the Conway; a new de Havilland engine; the Bristol Olympus. All these may be considered possibles for A. V. Roe Canada's supersonic CF-104 now in the planning stage.

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Imagine a new base for wall enamels that is head and shoulders above any other type. Such a miracle ingredient is WALLKYD, which brings to the home, for the first time, the unique wear-and-water resisting qualities featured in the sprayed-on, baked enamels used to finish today's automobiles, refrigerators, stoves and washing machines. WALLKYD is also an alkyd resin, now available in easily-applied, air-drying form.

Only WALLKYD-base finishes give *all* these advantages:

They go on easily. Anyone can paint like a "pro" and turn out a job that's smoother, freer from brush and roller marks, laps, runs, sags.

They dry in a jiffy. You can put furniture and drapes back in the evening when you paint in the morning. And even if you soil the surface the next day, you'll find it hard enough to wash without marring. There's no lengthy "tender" period.

They come clean quickly. It's so easy, with soap and water, to remove fingerprints, chalk, pencil and crayon marks, dirt smudges, dust accumulations. And don't worry ... even repeated washing won't wear away the finish.

They work on any surface ... walls, ceilings, trim ... plaster, wallboard, metal, wood.

They "cover" better. Solvent-thinned WALLKYD-base wall enamels actually contain more pigment and color (more paint) per gallon, which accounts for their greater hiding power per coat.

They're tops in beauty. You can't beat the delicate pastels, vibrant deep tones, longer life, resistance to scratching, marring and chipping characteristic of these finishes.

They're free from pungent "wet paint" fumes that smell bad, burn the eyes and sting the nose and throat.

Whether you hire a painter or "do it yourself", you'll want the unusual combination of features available only in a WALLKYD-base wall enamel. Write us for a list of the paint manufacturers now formulating with WALLKYD.

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Home owners want outside paints to last as long as possible so that their biggest investment in painting ... a painter's labor or their own time ... goes much further. That's why more and more manufacturers of exterior paints are adding WALLKYD to their formulations.

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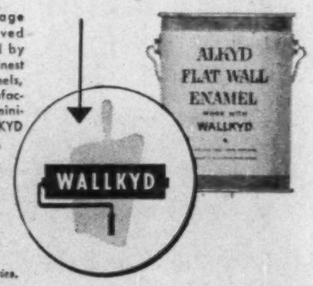
To get full advantage of the many improved properties imparted by WALLKYD, today's finest alkyd for flat wall enamels, make sure the manufacturer guarantees a minimum of 85% WALLKYD in his "vehicle solids".



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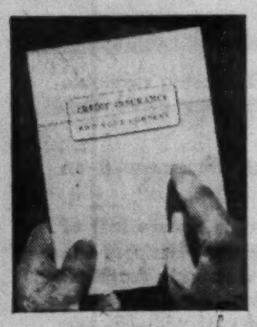

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Heavy Stocks Of Old And New Grain Increase Borrowing From The Banks

An increase of $74 millions in current loans at the Canadian chartered banks in July is attributed largely to grain loans.

The new crops were starting to move at the end of July and this with the large carryover from the 1952 western crop increased the demand for bank credit. Bankers look for this condition to continue and loans are thought likely to go higher in coming months.

There is also a certain amount of borrowing by general industry, but in some quarters bankers are holding loans to installment finance companies in check.

Total current loans again set a new high record. Canadian call loans rose slightly as well. Municipal borrowing was up slightly on the month, provincial borrowing down. Both classes of loans were lower than a year ago.

Savings deposits rose also to a new high level, reflecting continuation of previously existing factors. An additional element which tended to increase bank figures was that "float" — the amount of cheques outstanding but not yet cleared—was very large at the end of July. This artificially increased the volume of deposits, cheques on hand, etc., for the month end. Once these cheques were cleared the bank figures would decline accordingly.

Foreign business of the banks showed loans and deposits abroad lower on the month. Call loans were higher on the year, current loans abroad lower. Foreign deposits were higher than a year ago.

CONDITION OF CHARTERED BANKS IN CANADA

	July 1953	June 1953	Change	July 1952	Change
ASSETS					
Immediately Available Liquid Assets (In Thousands of Dollars)					
Canadian coin	16,627	16,803	—176	16,604	+23
Bank of Canada notes	214,162	239,036	—24,854	235,266	—21,084
Bank of Canada deposits	646,579	647,623	—1,044	595,455	+51,124
Bank's cash	877,388	903,462	—26,074	847,325	+30,063
Gold sub. coin ab'd	1,643	1,751	—108	1,612	+31
Foreign currency	39,605	41,924	—2,319	43,890	—4,285
Foreign banks	278,234	292,514	—14,280	*251,533	+26,701
Call loans abroad	177,457	178,602	—1,145	166,880	+10,577
Government securities:					
Dom. short term	909,785	861,730	+48,055	1,197,095	—287,310
Prov. short term	104,696	118,673	—13,977	87,296	+17,400
Dom. long term	1,877,342	1,992,219	—114,877	1,832,319	+45,023
Prov. long term	191,991	191,639	+352	221,243	—29,252
	4,458,141	4,582,514	—124,373	4,649,193	—191,052
Loans and Securities Other Than Those Of Canadian Governments					
Municipal secs.	161,321	161,322	—1	168,440	—7,119
Public secs.4	256,800	254,356	+2,444	248,638	+8,162
Other secs.	370,362	376,088	—5,726	379,422	—9,060
Can. call loans	124,791	122,896	+1,895	145,366	—20,575
Current loans	3,542,839	3,468,612	+74,227	2,928,272	+614,567
Loans abroad	254,106	269,761	—15,655	268,264	—14,158
Prov. loans	4,807	7,342	—2,535	16,925	—12,118
Mun. loans	100,982	99,823	+1,159	107,590	—6,608
	4,816,008	4,760,200	+55,808	4,262,917	+553,091
Other Assets					
Noncurrent loans	1,487	1,478	+9	1,599	—112
Real estate	93	107	—14	108	—15
Mortgages	400	394	+6	378	+22
Premises	125,144	123,998	+1,146	127,081	—1,937
Letters of credit	177,783	186,834	—9,051	188,733	—10,950
Loans to comp	16,768	16,736	+32	13,965	+2,803
Other assets	3,244	3,109	+135	4,603	—1,359
	324,919	332,656	—7,737	336,467	—11,548
Total	9,599,068	9,675,370	—76,302	9,248,577	+350,491
Int. bank bal.	610,701	722,369	—111,668	488,456	+122,245
Gross	10,209,769	10,397,739	—187,970	9,737,033	+472,736
LIABILITIES					
To the Public					
Circulation	143	145	—2	180	—37
Dom. Govt.	125,742	104,635	—21,107	195,132	—69,390
Prov. Govt.	169,481	260,178	—90,697	163,408	+6,073
Deposits by Public					
Demand dep.	3,048,600	3,142,988	—94,388	2,884,613	+163,987
Savings dep.	5,152,368	5,126,015	+26,353	4,836,096	+316,272
Total	8,200,968	8,269,003	—68,035	7,720,709	+480,259
Foreign Deposits					
Dep. Elsewhere	739,300	738,396	+904	705,491	+33,809
For. curr. in Canada	146,828	165,832	—19,004	132,114	+14,714
Total	886,128	904,228	—18,100	837,605	+48,523
Due to Banks Abroad					
United Kingdom	32,855	40,008	—7,153	42,276	—9,421
Foreign	95,021	100,176	—5,155	97,092	—2,071
Letters of credit	177,783	186,834	—9,051	188,733	—10,950
Other liab.	4,810	4,718	+92	4,055	+755
Total public liab.	9,692,931	9,869,925	—176,994	9,249,190	+443,741
Due other banks	129,848	143,279	—13,431	108,515	+21,333
Liabilities to Shareholders					
Dividends	4,577	2,139	+2,438	4,148	+429
Reserve	220,451	220,445	+6	209,500	+10,951
Capital stock	149,432	149,420	+12	148,500	+932
Gross	10,197,239	10,385,208	—187,969	9,719,853	+477,386

*Other than Canada.

Hospitals Covered In Electrical Code

The sixth edition of the Canadian Electrical Code, Part 1, will be published this month, W. R. McCaffrey, general manager of the Canadian Standards Association, announces.

Part 1 of the CSA-designed code covers essential requirements and minimum standards for electrical installations in buildings, structures and premises. It has the force of law throughout Canada.

New subjects, not covered in the 1947 fifth edition, include requirements for wiring and equipment in: storage and anaesthetizing rooms in hospitals, outdoor floodlighting, fixed electrical space heating systems and induction and dielectric heating equipment.

CNR Orders 'Dinettes'

MONTREAL (Staff)—CNR will soon put the drugstore lunch counter on wheels to provide railway passengers with a lower-priced meal service.

An order for six newly designed "dinette" cars is part of the railroad's current $50 million passenger expansion program, which also includes 161 air-conditioned coaches and 141 sleepers and parlor cars. One of the biggest Canadian railroad orders in history, all the new equipment is expected to be in operation by the end of 1954.

The adoption of the "dinette" type of catering service is part of the CNR's long-term program to reduce dining car costs. On some trains, linen table cloths have already been eliminated, less pretentious menus have been put into operation, and experiments have been conducted with pre-cooked frozen meals.

The new dining cars will be equipped with a long bar and stools and will offer "a modest range of good, well-prepared food at popular prices."

"We are very much aware that the cost of meals in dining cars has risen to a point that, even though we are serving food at an out-of-pocket loss averaging 55 cents a meal, the price charged is discouraging many of our passengers from using this service," said President Donald Gordon.

"I cannot help but think that somewhere during the last 30 years, the railroads of North America, in the urge to outdo one another in providing more elegant accommodation and still grander style of dining room service for prestige travel, have failed to appreciate the opportunities for a volume market aimed directly at the traveler of ordinary means," he added.

U. S. Firm Plans Co-Axial Plant

Further indication of the gaining momentum of television in Canada comes with announcement of formation of Andrew Antenna Corp., by Andrew Corp. of Chicago, producers of transmission lines and antenna equipment.

Andrew Corp., through its new Canadian subsidiary, has purchased a five-acre site at Whitby, Ont., and plans construction of a factory for production of co-axial cable for TV and microwave transmitting, according to T. H. Bartley, general manager, Toronto Industrial Commission.

J. W. McLeod, Queen's University engineering graduate, will head the Canadian organization, C. Russell Cox, vice-president and general manager of Andrew Corp. announces.

Niagara Growers' Magazine Sold

The Niagara Fruitman, growers' magazine published at St. David's Ont., has been purchased from Nixon E. Brennan by William Pryde and Alastair H. Scott. The publication has a paid circulation of some 3,800, was founded in 1929.

Mr. Pryde is co-publisher and advertising manager; Mr. Scott, co-publisher and editor. Mr. Scott has been associate editor of Canadian Trade Abroad, associate editor of Canadian Machinery and Manufacturing News and latterly, associate editor of Canadian Homes and Gardens. Office and plant of The Niagara Fruitman will remain at St. David's.

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A Goodyear Landing Mat starts paying for itself as soon as it is installed. Originated for the newsprint industry, where it cut destructive handling losses to zero, it is also ideal for all loading and unloading operations requiring careful handling.

Goodyear Landing Mats are made of a 2½" centre layer of Airfoam covered top and bottom by a ¼" of high quality live rubber. Available in a variety of sizes, it can be ordered for special applications to fit specific tasks. The minimum size per order is 11 square feet per mat.

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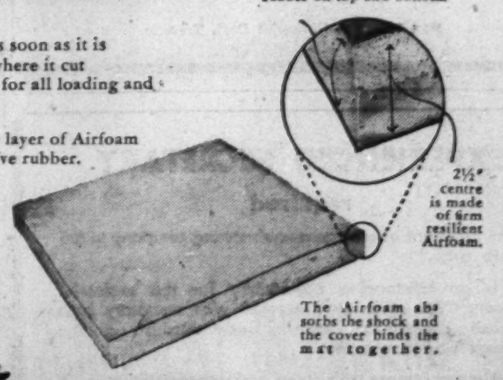

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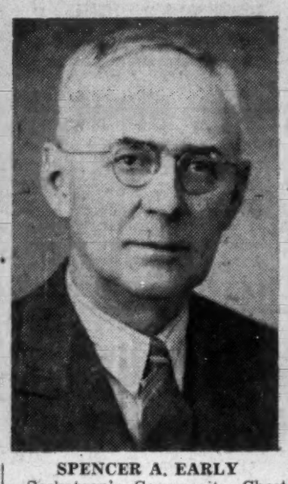
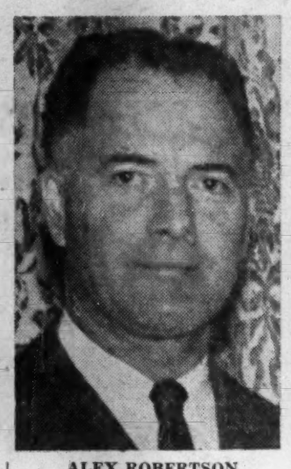
W. PRESTON GILBRIDE
Mr. Gilbride is 1953-54 chairman of the Community Chests and Councils of Canada, a division of the Canadian Welfare Council, filling a key role at the national level. A Toronto resident, he's eastern group manager, Great-West Life Assurance Co., has served as chairman of the nominating committee of CWC for the past two years, is active in other welfare organizations.

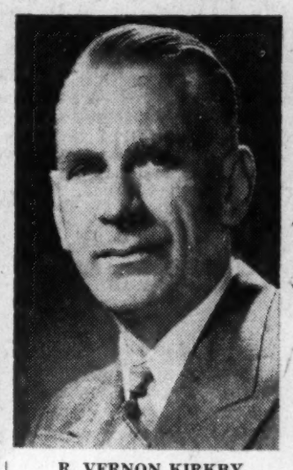


SPENCER A. EARLY
Saskatoon's Community Chest drive chairman is a man who arrived from Ontario in 1906 to land a teamster's job on a CPR building crew. Today, he's president of Early Seed & Feed Co. and a proprietor of Early Hatcheries. He has a long record of local public service and has canvassed for the Community Chest since its formation in 1939.



ALEX ROBERTSON
President and general manager, Winnipeg Supply & Fuel Co., Mr. Robertson is heading Greater Winnipeg's drive this year. He is vice-president of the Winnipeg Chamber of Commerce and in a wide range of community endeavor, but lists the Community Chest as his principal volunteer interest. He's married, lives in Tuxedo.

WATSON HOOK
The Community Chest of Calgary held its 1953 joint campaign with the Canadian Red Cross Society in March, with the Red Cross benefiting to the extent of 36% of the total amount subscribed. Mr. Hook headed the campaign for the second successive year and has gone "over the top." Much of the campaign's success has been attributed to his "dynamic leadership."



R. VERNON KIRKBY
Campaign chairman for the coming year for Greater Vancouver's Community Chest and Council, Mr. Kirkby is managing director of Pemberton's Insurance Corp. and has spent 25 years in the insurance business. The 6 ft. 4 in. sport-loving executive was born in London, Eng., received part of his education in Calgary and moved to Vancouver 33 years ago. He has been active in community work for the younger set.

FRED J. DAWSON
Owner of an insurance and real estate business, Mr. Dawson heads Sault Ste. Marie's Community Chest campaign for 1953-54. He is past president of the Boy Scouts Assn., past director, Canadian Legion (served in the RCAF), past vice-chairman, Institute of the Blind and immediate past president of the local Chamber of Commerce body.

Capital For Stock Exchange House Available

American citizen, age 42, university graduate, substantial means seeks interesting proposition with stock exchange house. Best references, replies confidential.

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LABOR ROUNDUP

Is This Why UE Is Quiet Now?

Serious Trouble In U.S. Tempers UE Mood Here

A clue to the strangely quiet mood of the Communist-led United Electrical Workers union is seen in reports from U. S. where rival unions are waging war against the UE and optimistically giving it only two years to live.

Because of a somewhat different situation in Canada, there are few indications that a similar war will be waged here — but the one in the U. S. is enough to slow down Canadian UE officials.

The battle against UE in U. S. is being waged by two big CIO unions and one AFL group — the rival CIO International Union of Electrical Workers, the CIO Autoworkers and the AFL Machinists.

The Autoworkers are moving in on such groups as UE locals in the farm equipment industry; some 8,000 men are involved in plants of International Harvester and John Deere.

In Canada, the UE isn't in such plants and so the same action isn't being taken by the UAW here. In fact, in the past, the UE has steered clear of the UAW and avoided any fight with the powerful CIO-CCL union.

In the one recent brush that could have developed into a fight, the UE bowed out politely when the UAW appeared on the organizing scene. This came last spring when Canadian General Electric was preparing to open its new jet engine servicing plant in Downsview, a northern suburb of Toronto.

UE organizers were on the scene early and were well started when UAW organizers appeared. The UE men came over and said that since this was an aircraft plant, they were stepping out of the picture. The inference was that the UAW should do the same if a similar incident cropped up in an electrical plant. No assurance of this was given by the UAW. There is no sign of such a situation coming up — but if it does, there could well be trouble between the two unions.

The fight between IUE and the UE in Canada is an old story with the IUE so far coming out on the short end. A small membership here has meant a small central fund from which to conduct expensive raiding campaigns. And with the U. S. branch of the union engaged in its own fight with the UE there, little money is available to help the Canadian union. The IUE put up a good fight at Peterborough this spring but was eliminated in a close vote.

The IUE is in the midst of a three-way struggle in the new RCA Victor plant in Prescott; there the AFL-TLC International Brotherhood of Electrical Workers appears to have the inside track while the UE is not considered to have the 45% of employees which it needs to intervene. Decision on this case is expected this month.

The Machinists in Canada aren't planning any raids on UE locals but say they will move in at the invitation of a sizeable group of employees in any one plant. One union official reports there have been several requests from individuals recently for the IAM to move in on UE locals; these individuals have been told to come back when they have persuaded a good-sized section of their fellow-employees that the IAM should enter the picture.

What is the effect of the current U. S. fight here? Many observers see it as the reason behind the quick UE settlement of its strike at North American Cyanamid in Niagara Falls and for its easier-to-get-along-with attitude at General Electric this spring and the current negotiations at Westinghouse in Hamilton.

With the UE in U. S. facing a stiff fight in coming months, it looks as though Canadian unions have been told to keep out of trouble and avoid costly action that would drain off funds needed for the big battle in U. S. centres.

* * *

Steel Talks Slow

There still were no developments this week on the talks between the major steel companies and the Steelworkers' union. These sessions have been going on spasmodically since June, following settlement in U. S. The question nobody seems able to answer: what is the holdup?

Some light was expected on the situation this week as Steel's policy sessions were held in Montreal just prior to the annual Canadian Congress of Labor convention. The fact that two days of the three-day session were to be open this year indicates that Steel has some issue it wants a lot of publicity on. Some of this could be directed toward the steel companies though much of it is expected to deal with such issues as the guaranteed annual wage.

The steel talks got away to a slow start with the union not presenting its demands until the U. S. pattern was set; the union here wanted to maintain the parity with basic U. S. wages established last year.

But even after this was settled, things went slowly. There have been few formal sessions. Much of the delay can be attributed to the trouble Steel has had in Northern Ontario mines this summer; strikes there have kept their brass busy.

Now there won't be further meetings until after the Montreal convention next week. When sessions do resume — probably Sept. 21 — it is reported that Ontario's chief conciliator, Louis Fine, will sit in on the meetings.

Fine said earlier that he would step in if the talks bogged down; his preoccupation with other, more pressing, labor troubles in Ontario could be another reason for the delay in the steel talks.

In past years, the steel contracts have been signed much earlier in the year and have had the reputation of setting the pattern of agreements in other industries. This year, it looks as though settlement will be along the same lines as that followed in the U. S. — an 8½c hourly pay boost — which is fairly well in line with settlements across Canada this year.

* * *

Labor Briefs

The need for racial tolerance and the end of discrimination were the keynotes struck by Labor Minister Gregg in his annual Labor Day message. He pointed out that recently-passed laws prohibiting discrimination could only be effective with the full co-operation of both unions and management. Education is the final solution to the problem, he said.

* * *

Despite the strikes in Ontario, time lost through work stoppages across Canada during July was only a fraction of the total for July, 1952, and the seven-month figure was still well below that of the same period last year. The July, 1953, total was 73,486 man-working days lost compared with 888,243 in July, 1952.

* * *

The continuing threat of a general milk drivers' strike still hung over the Toronto area early this week as talks arranged by the Ontario Labor Department were carried on. An earlier strike move was stalled until an international official of the Teamsters arrived on the scene. Feeling early this week was that prices would be boosted one cent to make possible a pay boost. The other alternative — deletion of Wednesday deliveries — has been rejected by the union on the grounds that such a move would eventually reduce employment.

'BrandNew' Ad Gets Sharp Maker Reply

Frigidaire took objection to a dealer's ad the other day, and bought another ad to say so.

Danforth Radio Ltd., one of Toronto's largest electrical dealers, broadcast a seemingly fabulous bargain across almost 4/5 of a page in The Toronto Star one evening last week.

Said the ad: "Brand New! In Factory-Sealed Crates!... Frigidaire Popular 7.6 Cu. Ft. Model! ($)199.95 Including Frigidaire Factory Warranty..."

But Frigidaire, which stopped making 7.6 cu. ft. models in 1950 and whose cheapest comparable model today (8.8 cu. ft.) retails at $299, wanted buyers of its product to know the whole story:

Next day this ad appeared in The Star, three columns wide, black-bordered, bold of face: "Important Notice . . . The 7.6 cu. ft. Frigidaire refrigerators as advertised yesterday by a leading Toronto appliance dealer were built and distributed by Frigidaire Products of Canada Limited in 1950."

Technically, there was nothing wrong with the Danforth ad. Unsold, unused, crated stocks are actually "brand new" — even if the model is three years old.

Competing electrical dealers were overjoyed. Some consumers were indifferent; others considered the Danforth ad a piece of shrewd business.

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For Sale: Successful, prosperous machinery business. National lines and agencies — stock-in-trade about $70,000.00. A sound business in a sound prosperous Alberta City. Further particulars—write

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Principal Hotel in leading country town in Jamaica. Altitude 2100 ft. ¼ mile from centre of town. Accommodation: 38 guests, staff quarters in 7 acres of gardens, citrus & tennis court. Club amenities include golf & tennis. Expansion desirable either by increasing main building or erection of cottages in grounds. Write: Owner/Mgr. Hotel Manchester Ltd., Mandeville, Jamaica.

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Bond Tenders

12 noon, Sept. 3, 1953, Government of Canada Treasury Bills—Payable Dec. 4, 1953 and June 4, 1954, $40,000,000. Dated Sept. 4, 1953.

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8 years professional, 4 years commercial experience; age 35; seeks responsible position. Excellent references.
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University graduate with degrees in Business Administration and in Foreign Trade. Two years business experience in executive and sales capacity, age 24, fluent Spanish, widely travelled Canada, United States, Latin America. Interested in an executive position overseas. Preferably Latin or South America or Spain.
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With experience in management including sales and promotion in a variety of engineering industries. 35 years of age — accustomed to carrying responsibilities. Looking for a new interesting field of work.
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EDMONTON CALLING
Experienced businessman interested in obtaining distributorship for Alberta of fast moving line of merchandise. Have connections with Edmonton Wholesales, would be able to organize local warehouse. Some capital available, best of references. Replies to:
Box 835,
The Financial Post, Toronto.

ENGINEERING SURVEYS
Sales Representatives
Opportunity for graduate engineer having extensive contacts with industrial and mining companies requiring surveys and topographic maps. Write Room 620, Federal Building, 85 Richmond Street West, Toronto.

COMPTROLLER

Applications are invited for the position of chief accounting officer of a large manufacturing company located near Toronto. Responsibilities include executive assistance to the President on administrative matters and direction of an extensive program of system revisions throughout the company. Preference may be given to chartered accountants between 35 and 45 with a minimum of 5 years senior administrative experience in industrial organizations.

Applications should provide full details as to personal status, and educational and business qualifications. Candidates are to be interviewed initially by a partner of a national accounting firm. The strictest confidence will be preserved and applications will be returned if desired.

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Classified ads cost 10c per word and figure for each insertion. Minimum charge $2.50. Add six words when box number is required. When replies are to be mailed to advertiser add 15c. Classified ads payable in advance. Contract rates on application.

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DEPARTMENT OR Office Manager-Accountant. Broad experience in general accounting, costing, purchasing, general office routine, personnel supervision. Age 33. Box 803, The Financial Post, Toronto.

POSITION WITH opportunity desired by 1950 University of Toronto B. Commerce, Masters degree from America's oldest graduate business school. Box 794, The Financial Post, Toronto.

INTERESTING employment opportunity wanted by woman with employment personnel, and supervision experience in private industry, welfare, and government organizations. Owns car, and is free to leave city or country if job requires it. Box 834, The Financial Post, Toronto.

RECENTLY GRADUATED chartered accountant with university degree in Commerce desires employment. Prefer Maritimes or eastern Canada, but consider any interesting position. Box 830, The Financial Post, Toronto.

1949 UNIVERSITY GRADUATE, 27, with sales, purchasing and management experience in the food field desirous of location with progressive firm between Toronto and Oakville inclusive. All replies answered. Box 829, The Financial Post, Toronto.

FOR RENT

OFFICES FOR RENT. Floor space 3,500 and 1,330 square feet. Finest location. Greater Corner Brook Area-Broadway. Modern building. Concrete and steel, two storeys. Being built by Newfoundland Engineering & Construction Co. Limited. Suitable for Doctors, Lawyers, Dentists, Corporations, etc. Parties interested in securing leases apply in writing or on construction to Owner—E. (Al) Kawaja, P.O. Box 257, or Phone 6685, Corner Brook West, Newfoundland.

Business Opportunity

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required

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This is an outstanding opportunity for the successful applicant. She must be a woman with unusually high technical competence, superior administrative ability, judgment and personality.

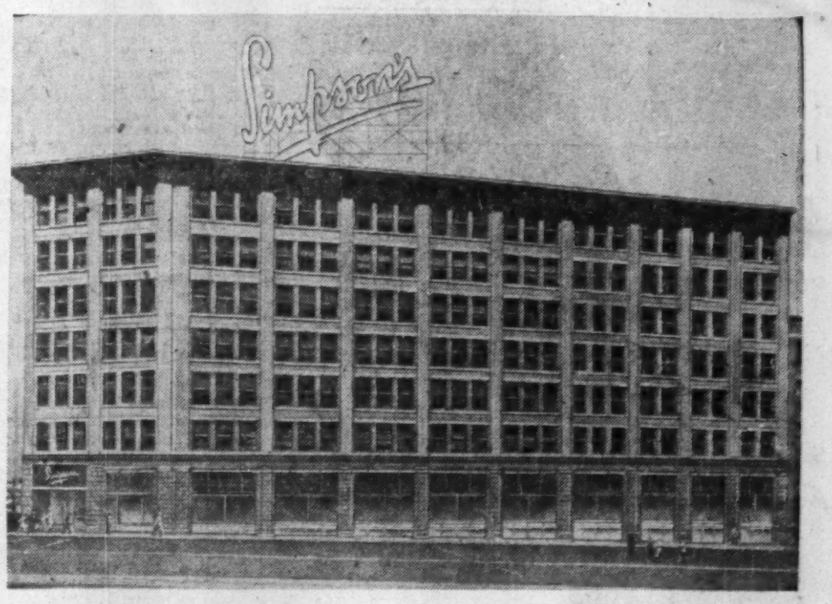
Salary commensurate with duties and responsibilities.

Application should give a full statement of experience and salary expected.

All applications will be treated in confidence.

BOX 826, THE FINANCIAL POST, TORONTO

A BUILDING BUY
FOR INVESTORS WITH VISION



The West Coast expansion of Simpson's-Sears Ltd. is making available this seven-storey building strategically located in the heart of Vancouver's commercial district.

Its location, size, condition, equipment, and adaptability make it an outstanding opportunity for investors with vision.

Just a few of its fine points are: 152,200 net rentable square feet of floor space; adjacency to the major section of Vancouver's business district; situated on C.P.R. trackage and adjacent to steamship facilities; basement and sub-basement; new oil heating system; new passenger and freight elevators; new sprinkler system; bonded roof with 15-year guarantee. The building is mill-type construction with masonry walls.

This building will be available in approximately one year. For further information, please wire, write or telephone Mr. Paul H. McClung.

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BALTIMORE	ST. LOUIS	Edward
PITTSBURGH	WORCESTER	WINDSOR—Prince Edward
ROCHESTER	PITTSFIELD, Mass.	HAMILTON—Royal Connaught
BUFFALO	SPRINGFIELD, Mass.	NIAGARA FALLS—Sheraton-Brock

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FP-13

Trend of Business

Direct investment of capital in Canada by foreign enterprises—mostly from the U. S.—is at highest ever. First half this year is 15% above same period last year. Last half this year will be period to watch for confirmation of this, though; most of this seed money is planted in the fall, breakdowns for past years reveal.

But there's deficit for us on total current account payments in first half of this year. Deficit amounts to $365 millions, means that we received net imports of capital in the same amount, under "double entry" bookkeeping used in keeping international accounts. Main reason for our deficit on current account is shift of merchandise trade against us: our exports and imports both fell in price, but our imports also increased by one fifth in volume from last year.

Consumer price index jumped to 115.7 at Aug. 1, equal to beginning of this year. It had dropped as low as 114.4 this year. It's now only 2.5 below high of 118.2 in January, 1952. But it wasn't food prices that upped it this time; miscellaneous items like gasoline, hospital rates did the trick.

Construction contracts awarded first eight months this year 5% higher than same period last year. Month of August down some 17% from that month of 1952 though, because of lower engineering and industrial awards. Residential building boom continues, with commercial building awards up substantially too. (Maclean Building Reports)).

Current public loans at banks 21% above year earlier.

Savings deposits 7% above year earlier.

Sharp upturn in fine paper output which started in second quarter has kept up. Fine paper output this year to date a healthy 6% ahead of last year. Pickup is due to domestic market.

Value of fish caught in Atlantic this year to Aug. 1 2% above same period last year, in spite of drop in physical volume of catch. Pacific coast catch down 26% in value this year to Aug. 1. Latest month saw drop in value of catch from same month last year on both coasts.

Gold production available for export in first half totaled $85 millions, or 12% more than first half last year.

Pulp production latest month 4% above same month last year, but this year till Aug. 1 down 1%.

Idea of what's in store for manufacturers in East if natural gas becomes available is given by figures on industrial use of gas. Latest month Western Canada, which has much less industry, used 1,603 million cu. ft. of natural gas. Eastern industry used only 454 million cu. ft. of both natural and manufactured gas.

Milk prices are highest on west coast. At latest, top retail price is at Nanaimo and Victoria, 24c a quart. Next is Fort William and Port Arthur, 23c. Milk is 22c a quart in Vancouver, Windsor, Hamilton, Toronto, Ottawa, Sydney. It's 21c in Calgary, Lethbridge, Medicine Hat, Moose Jaw, Saint John; 20½c in Halifax; 20c in Edmonton, Saskatoon, Winnipeg, Moncton. It's 19½c in Montreal, and 19c in Quebec City, Regina, Yorkton, Sask.; 18½ in Three Rivers and Sherbrooke; 17c in Charlottetown. A few of these are summer prices, good till Oct. 1. Not one is either higher or lower than price for last summer though.

Major Weekly Indicators

		Latest Week	Week Ago	Month Ago	Year Ago
Department store sales (% ch. from year earlier)		—	+1.2	+2	+11
Carloadings, total		84,911	79,325	83,693	84,462
Eastern Canada	(cars)	53,870	49,350	53,690	53,262
Western Canada	(cars)	31,041	29,975	30,003	31,200
Iron & steel products	(cars)	1,675	1,291	1,586	1,683
Ores, concentrates	(cars)	4,512	4,456	4,455	4,659
Base metals	(cars)	421	526	463	498
Lumber, timber, plywood	(cars)	4,540	4,376	4,461	4,628
Cement	(cars)	1,238	1,281	1,253	—
Bus. failures (4-wk. moving av.)	(No.)	15	12.3	19.5	16
Motor vehicle prod.	(units)	7,932	5,667	11,263	8,616
Bank of Canada holdings of securities	($ millions)	2,251	2,267	2,287	2,170
Short term governments	($ millions)	1,403	1,417	1,438	1,303
Long term governments	($ millions)	832	834	834	855
Other securities	($ millions)	16	16	16	11
Canadian dollar (U.S. cents average)		101.484	101.291	101.058	104.132
T.S.E. industrials index		307.39	304.81	313.10	320.15
Bank Clearings					
Montreal	($ millions)	432	376	453	373
Toronto	($ millions)	463	407	454	400

Facts by the Month

	Latest Month	Month Ago	Two Mos. Ago	Year Ago
WHAT WE PRODUCE—				
In all industries (Index)	251.4	254.3	246.8	234.6
In factories (Index)	272.7	276.6	265.5	246.7
Total nondurable goods (Index)	231.7	227.5	221.8	213.9
Food & bev. (Index)	228.7	210.8	196.2	225.9
Textiles (Index)	228.5	215.9	220.5	183.8
Clothing (Index)	173.2	181.2	184.2	132.9
Chemical products (Index)	295.9	286.7	279.0	270.5
Total durable goods (Index)	336.5	337.9	333.9	298.0
Iron & steel products (Index)	306.2	306.9	303.6	297.6
Primary iron & steel (Index)	331.6	357.9	354.4	318.1
From mines (Index)	191.6	175.5	160.2	181.1
Metals (Index)	118.1	125.0	118.0	117.4
Nonferrous smelting, refining (Index)	230.3	244.1	236.4	217.5
Gold (Index)	103.0	110.5	105.9	102.5
—From farms				
Hogs graded (000)	411	399	462	562
Cattle delivered (000)	143	119	126	156
Flour (Index)	176.5	162.8	161.4	169.6
—From sea				
*E. Coast catch ($000)	5,302	5,234	6,322	3,939
*W. Coast catch ($000)	8,743	2,661	1,646	9,455
—From forests				
Newsprint (000 tons)	491	463	480	486
*Pulp (000 tons)	745	733	757	715
—In powerhouses				
Electricity (Index) (seasonally adjusted)	265.4	269.1	254.3	245.6
WHAT WE SELL—				
Retail sales ($ millions)	1,045	1,075	1,016	978
Dept. store sales ($ millions)	78	79	84	77
Country store ($ millions)	46	46	41	47
Wholesale sales (value) (Index)	373.9	373.9	366.5	368.5
Pass. car sales (units)	37,013	40,200	43,413	32,876
WHAT'S ON HAND—				
Mfrs. inventories (value) (Index)	185.7	184.7	183.0	182.1
Dept. store stock/sales ratio	3.0	2.6	3.0	2.5
SPENDING, SAVING POWER—				
Labor income ($ millions)	969	949	924	875
Dividend payments (Index) (annual rate)	244.8	244.6	244.4	243.4
JOBS—				
*Employment (Index)	198.8	187.5	183.5	185.5
*Mfg. employment (Index)	203.3	201.6	200.8	191.4
BUILDING—				
*Contract awards ($ millions)	147	151	189	176
FOREIGN TRADE—				
Exports ($ millions)	385	305	313	387
Imports ($ millions)	422	393	360	393
MONEY—				
Money supply ($ millions)	5,214	5,136	5,228	4,812
Cheques cashed ($ millions)	12,251	11,671	11,178	10,945
*Savings deposits ($ millions)	5,152	5,126	5,100	4,326
*Current public loans ($ millions)	3,543	3,469	3,402	2,928
Life insurance sales ($ millions)	250	210	205	211
PRICES—				
*Consumer price (Index)	115.7	115.4	114.9	116.0

Index bases: production, wholesale sales, 1935-39=100; employment, payrolls, 1939=100; manufacturers inventories, 1947 average=100; consumer price index, 1949=100.

STRATEGIC MATERIALS—Production and Supply—

	Latest Month	Month yr. ago	Yr. to date	% chge. yr. to date
Steel ingots and castings (000 tons)	352	305	2,123	+11
Primary copper (000 tons)	22.3	22.8	113.3	+3
Nickel (000 tons)	11.6	12.3	58.6	−1
Cement (000 bbl.)	1,951	1,781	8,697	....
Lumber (million fbm)	662	600	2,797	+15
Exports (million fbm)	308	292	1,060	+1

*New item this week

Date for your file: The Financial Post, Sept. 12, 1953.

Heat Wilts "School Days" Rush See Fall Sales Late But Large

Retailers across much of Canada looked as glum as the kids this week, as schools began to reopen.

The heat had slowed up back-to-school sales.

School-days time is Canada's third heaviest seasonal "pusher" in the retail trade, right on the heels of Christmas and Easter.

School openings, timed with a warning nip in the September air, usually touch off an annual cash register symphony.

"For the last couple of weeks anyone would have been crazy to go shopping for school clothes when it was 95 in the shade," said an official of a large national retail firm.

But the Labor Day week-end brought a draft of cool air to most of the heat-beat areas in Eastern Canada, and retailers there were smoothing out their frowns.

More kids are going to more schools, and cool weather is bound to spur more buying. But it'll lack that opening spurt, the retailers figured.

Last year, a year of hang-on summers almost everywhere in retailing Canada, October was the peak autumn month for what DBS calls "family clothing," opposed to men's and women's clothing.

Here's the '52 picture; this year may be a repeat:

FAMILY CLOTHING

Month	Value ($ Mill.)
July	13.7
Aug.	13.3
Sept.	13.8
Oct.	19.4

Canada's Tariff Commissioner Comments On Post Editorial

William J. Callaghan, Canada's veteran Commissioner of Tariff, herewith comments on a recent Financial Post editorial on tariff policy:

I have read with interest the article of Aug. 29, entitled "Do Trade Policies Require Review". In this article you point out that you have been told by a Quebec reader that there is no inducement for a new company to start in Canada because quite frequently they find that the tariff on the raw materials they have to import is higher than the tariff on the finished product they propose to manufacture in this country.

You quote a statement recently given to The Post by a tariff expert. I agree with what this expert has said but he should have added that Section 284 (now 273) of the Customs Act authorizes the Governor in Council to reduce or eliminate the tariff on materials used in Canadian manufactures. Hundreds of such Orders in Council have been passed during recent years to assist newly-established manufacturers in Canada, to encourage the establishment of a new industry in Canada, and to enable long-established industries to continue to meet competition.

This work has been carried on by the Commissioner of Tariff for a number of years and there have been several hundred requests for tariff relief since the last Budget was introduced. You must realize that many of these requests do not warrant action although they all have to be carefully investigated.

You expressed the hope that our policy makers and negotiators would take a fresh objective look at the whole situation before they rush off next month for Geneva and more horse-trading. This is a sensible statement but it is my understanding that there will be no horse-trading this month. The main question to be decided is whether or not the General Agreement on Tariffs and Trade should be continued in its present form.

New Brunswick TV Seeks Jan. Debut

From Our Own Correspondent

SAINT JOHN — New Brunswick's first TV station, CHSJ-TV, Saint John, will be telecasting by early '54, possibly January. That's the latest report from station officials.

CHSJ-TV's 100-ft. "bat wing" antenna atop 1,460-ft. Mt. Champlain, the highest peak in Southern N. B., will beam local and network programs to a potential audience of 400,000 in N. B., Nova Scotia and the State of Maine.

Optimistic station management reported this week that the tranmitting equipment can be switched easily to color when that phase of TV arrives in Canada.

CHSJ-TV plans to telecast plenty of the leading Canadian and U. S. network shows, via kinescope, plus a mixture of Saint John area special events.

Robin Hood Flour Mills Adds New Equipment

A $1 million modernization program in four mills of Robin Hood Flour Mills Ltd. has been completed. The program involved purchase of the largest quantity of European milling machinery in the history of Canadian milling, said Vice-President C. E. Soward.

Newly designed British and Swedish milling equipment was installed at Humberstone, Ont., Moose Jaw and Saskatoon, Sask., and Calgary, Alta. Robin Hood is a subsidiary of International Milling Co., Minneapolis, Minn.

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TRADERS' FINANCE CORP. has issued another 62 Class A shares upon conversion of 1965 debentures, and 3,250 shares against purchase warrants. There are 837,098 Class A shares outstanding.

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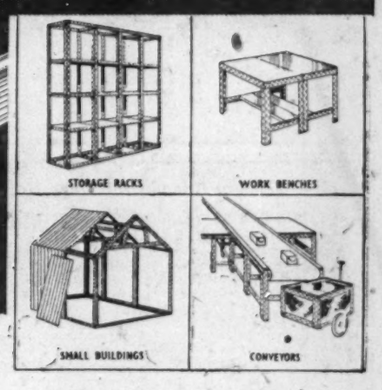

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What's New

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Canadian Manufacturers and Distributors

Publicize your new products. Send The Post news for mention in this column.

Non-Shock Sock

Electrically heated men's socks keep feet at normal body temperature without causing perspiration, it's claimed. A battery carrier is worn on the belt and insulated connecting wires run along each leg under clothing. Ideal for hunters, skiers and football fans.

* * *

Pronouncer

A "talking dictionary," consists of word cards with magnetic strips and tape - recorder - like machine. Offers visual and audible method of learning English.

* * *

Mobile Display

Display tables mounted on the face of a plate glass mirror rotate in conjunction with the mirror and at the same time operate independently, revolving on their own axes. Affords merchandise maximum of display from all angles.

* * *

Flexible Binder

Plastic looseleaf binding device, available in eight capacities and 10 colors, consists of solid round plastic discs flanged for holding sheets in cover. Ensures perfect flat opening and easy closing. Sheets can be changed without mechanical aids — removed by grasping sheet at the top near the discs and rolling off, added by placing it against the discs and pressing in place with thumb and forefinger.

* * *

Paper Paint Pail

Heavy-duty bucket made of sturdy cardboard material has removable heavy wire handle. When pail becomes dirty it can be disposed of and handle easily snapped on a fresh one. Designed primarily for use as a paint pail, its light weight and strength make it suitable for many purposes. Available in two sizes.

* * *

Wall Cover

Asbestos-cement sheet for walls, ceilings, counter fronts, garage lining, stair enclosures, etc., is flexible, strong and easy to saw and nail. Available in three colors (red, yellow, green) with the color not merely on the surface but right through the material. Dimensions: 48 in. x 96 in. and ⅛ in. thick.

* * *

Snag Stopper

Lotion for milady's legs prevents nylon stocking snags by softening rough spots on the skin.

* * *

Less Pressure

New pressure reducing valve for steam, air and gas departs from conventional diaphragm pipe reducing valve. Pilot-operated element is subject only to difference between the reduced and atmospheric pressure; works to dead shut off; is not affected by pressure fluctuations on the inlet side; the body is of aluminum bronze and all vital parts are of stainless steel; can be dismantled without removal from the pipe line. Available in ½ in., ¾ in. and 1 in. sizes. Maximum working pressure is 200 psi.

* * *

Tiny Parts Preserver

All-steel cabinet for storage of small parts consists of two 1½ in. high drawers in welded one-piece frame having over-all size of 3¼ ft. x 11 in. x 11 in. Each drawer has eight dividers, giving a total of 24 adjustable compartments. Any number of units can be stacked in one solid assembly. Tabs turn up and engage shelf above to prevent tipping when used as an insert in shelving. Comes in baked green finish and weighs 10 lbs.

* * *

New Catalogues

Canadian General Electric Co. Ltd., Toronto. Two-color, seven-page, well-illustrated bulletin describes advantages, operation and design details of Afterburner Fuel Pump. Includes diagrams showing use of the pump on air modulation, high-pressure fuel throttling and fuel modulation systems, and details on methods used for testing the pump.

Brantford Roofing Co. Ltd., Brantford, Ont. 95-page booklet, well illustrated with diagrams gives careful description of the company's Built-Up Roofing Products.

Defense Contracts

Here is a list of defense contracts for $10,000 or more awarded to Canadian firms by the Department of Defense Production and Defense Construction (1951) Limited for the first half of August. The list, including contracts valued at $1,828,767 placed by Defense Construction (1951) Limited, totals $4,917,576. It does not include contracts classified for security reasons and amendments to contracts.

Contractor	Commodity	Value
Acousticon Dictograph Co. of Canada Ltd., Ottawa;	supply and installation of electronic equipment	$ 14,044
Arrow Films Ltd., Toronto;	projectors	24,550
Bancroft Industries Ltd., Montreal;	aircraft spares	19,402
Barrymore Cloth Company Ltd., Toronto;	cloth	108,200
Bickle-Seagrave Ltd., Woodstock, Ont.;	fire engine truck	26,980
Bristol Aeroplane Company of Canada Ltd., Montreal;	modification of freighter aircraft	10,000
Gordon Campbell Ltd., Vancouver;	naval uniforms	11,786
Canadair Ltd., Montreal;	aircraft accessories	27,284
Canadian Arsenals Ltd., Ottawa;	renovation and assembly of ammunition	10,000
Canadian Arsenals Ltd., Ottawa;	20 mm. ammunition	336,600
Canadian Car and Foundry Co. Ltd., Montreal;	anchors	48,633
Canadian Collieries Ltd., Vancouver;	coal	24,418
Canadian General Electric Co. Ltd., Montreal;	kitchen equipment	18,658
Canadian General Electric Co. Ltd., Toronto;	electronic spares	18,866
Canadian Import Co., Montreal;	coal	14,364
Canadian Import Co., Quebec;	coal	17,191
Canadian Import Co., Quebec;	coal	53,162
Canadian Marconi Company, Montreal;	crystals	117,076
Chilliwack Coal Yards Ltd., Chilliwack;	coal	53,292
Clayton's Ltd., Halifax;	naval uniforms	11,670
Geo. W. Crothers Ltd., Toronto;	automotive spares	12,465
Dominion Coal Co. Ltd., Montreal;	coal	107,700
Dominion Rubber Co. Ltd., Montreal;	fire hose	23,391
Fairey Aviation Co. of Canada Ltd., Dartmouth;	design of handling gear for use with antisubmarine escort vessels	26,893
Ford Motor Co. of Canada Ltd., Windsor;	automotive spares	33,859
Gardner Trailers Ltd., Montreal;	repair of semitrailers	11,546
General Auto Supply Ltd., Kitchener;	tank spares	15,058
John T. Hepburn Ltd., Toronto;	repair of machine tools	10,632
John T. Hepburn Ltd., Toronto;	repair of machine tools	12,160
Ideal Upholstering Co. Ltd., Montreal;	furniture	93,353
Imperial Oil Limited, Ottawa;	lubricating oil	25,950
Imperial Oil Limited, Ottawa;	aviation gasoline and oil	92,780
Instruments (1951) Ltd., Ottawa;	aircraft cameras	56,356
International Business Machines Co. Ltd., Toronto;	rental of office equipment	25,135
International Business Machines Co. Ltd., Toronto;	rental of office equipment	35,168
International Business Machines Co. Ltd., Toronto;	rental of office equipment	47,346
LaFrance Fire Engine & Foamite Ltd., Toronto;	recharges for fire extinguishers	11,046
Levy Auto Parts Company Ltd., Toronto;	automotive spares	54,500
McColl-Frontenac Oil Co. Ltd., Montreal;	turbine aviation fuel	223,720
Merchants Coal Co. Ltd., Montreal;	coal	20,406
Mongeau & Robert Cie Ltee, Montreal;	coal	56,354
Paasche Airbrush (Canada) Ltd., Toronto;	spray painting machine	10,272
Thos. Pocklington Ltd., Toronto;	plotting table spares	41,072
Safety Supply Co. Ltd., Montreal;	repair and recharging of fire fighting equipment	10,000
Safety Supply Co., Toronto;	repair and recharging of fire fighting equipment	36,000
Safety Supply Co., Toronto;	repair and recharging of fire fighting equipment	35,000
Simkins Fuel Co., Winnipeg;	coal	30,300
Sperry Gyroscope of Canada Ltd., Montreal;	aircraft instruments	675,000
Structo Company Ltd., Ottawa;	pallet racks	27,820
Sun Oil Co. Ltd., Toronto;	diesel fuel oil	38,358
Roy Swail Ltd., Winnipeg;	coal	146,510
Thamesville Metal Products Ltd., Thamesville, Ont.;	steel wool	11,868
Vancouver Coal Sales Ltd., Vancouver;	coal	12,593
Williams & Wilson Ltd., Toronto;	boring machines & attachments	18,262
Wilson and Cousins Co. Ltd., Toronto;	fire fighting equipment	16,060
Winnipeg Supply and Fuel Co. Ltd., Winnipeg;	coal	17,700
Contracts Awarded by Defense Construction (1951) Ltd. Aug. 1-15 inclusive, 1953		
Acadia Construction Co. Ltd., Bridgewater, N.S.;	communication centre building	59,550
Argo Construction Ltd., Montreal;	transmitter building	248,619
Brush-Aboe (Canada) Ltd., Toronto;	diesel generator set	70,544
Continental Construction Co. Ltd., Dartmouth;	fire hall	56,351
Farmer Construction Co. Ltd., Victoria;	fire hall	59,980
Foster Wheeler Ltd., St. Catharines;	steam generating unit	56,299
Foster Wheeler Ltd., St. Catharines;	steam generating unit	47,306
Foster Wheeler Ltd., St. Catharines;	steam generating unit	49,093
John Inglis Co. Ltd., Toronto;	steam generating unit	46,259
Manitoba Power Commission, Winnipeg;	power distribution lines	31,000
Marwell Construction Co. Ltd., Vancouver;	replacement bridges	777,000
Sirotek Construction Ltd., Ottawa;	transmitter building & power line	12,600
Sterling Construction Co. Ltd., Windsor;	central heating plant	248,694
Will-Mac Construction Ltd., Kingston;	roofing	65,472

Power Threat Seen Averted

If the first five units in the vast hydro-electric power expansion program at Niagara Falls were completed by this December — over 500,000 extra h.p. —the system of the Hydro Electric Power Commission of Ontario would still only have a reserve of slightly over 10%, Hydro Chairman Robert Saunders claims.

Despite a boost of 93% in peak capacity since 1945 the sharply increasing demand for hydro power is still crowding available supplies. Only the steam generating plants at Toronto and Windsor are saving the province from a current acute power shortage caused by low rainfall rate in the Ottawa River drainage area.

The lack of rainfall has so drastically reduced the flow of the Ottawa River and the level of the two storage basins supplying it that the system has had to cut load by some 21.1 million kw. hrs. Despite this sharp reduction, no power rationing has been necessary because Ontario's two steam generating plants have been able to take on the additional load.

"We are going to be more thankful in the months of September, October and November that we have that steam power to fall back on," says Mr. Saunders. Unless there is very heavy rainfall in the Ottawa River watersheds, Ontario will have to depend on steam-produced power even more in the months ahead.

"As we become more and more industrial, we must make sure that our industries are not as they have been in the past, so dependent on power plants located on rivers that are dependent on local rainfall for their water," said Mr. Saunders. Some 44% of the system's peak capacity today depends on supply from this source.

That is one of the main reasons Ontario is pressing for the development of the St. Lawrence waterway project—the increased supply of dependable power.

Part of the new Niagara plant is expected to be in operation by fall of 1954 and by that time Hydro hopes to have sufficient power from all sources to guard against a repetition of this year's acute situation. In the meantime, some relief will come from extra power purchased from Beauharnois Power in Quebec and the connection that will be made with Detroit Edison Co. at Detroit and Sarnia next month.

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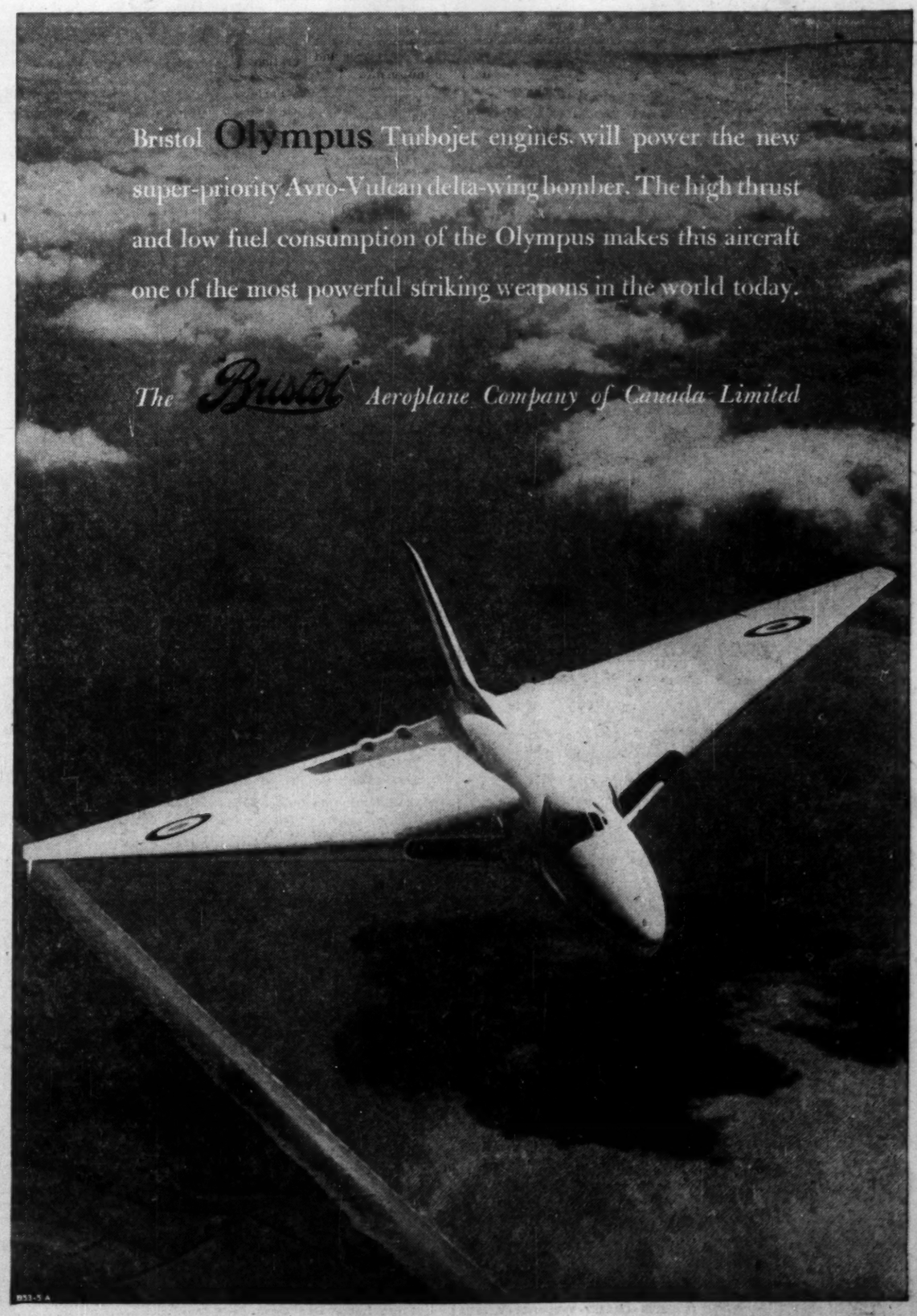

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Everybody's Tuned In To The TV Boom

Industries Large and Small Share in Fast-Rising Growth

By CYRIL BASSETT

Tom Farley and Lloyd Harris, 15 years ago, were just two men among thousands earning their living at a radio factory bench. But Farley had that something extra that lifts a worker a notch above his fellows, off a payroll and into a business of his own and Harris faith enough to go along with him.

Today, as president and vice-president respectively of T. S. Farley Co. Ltd., Hamilton, Canada's largest independent makers of radio frequency coils, they re comparatively big wheels in Canada's booming television industry and growing bigger all the time.

What has happened in surging growth in the Farley business under the impact of the television boom (output trebled in the last year) has happened also to two score or so similar businesses whose output goes in large measure to feeding the ever-growing demands of the TV set manufacturers.

The story of this TV boom makes a fascinating study of the interlocking nature (and therefore growth and fortunes) of much of our industry. To appreciate this to the full you have to understand that the TV set maker may call on perhaps 30 suppliers for his needs in producing one model.

A quick—but drastic—way to bring this point home would be to let Junior tear out the innards of your TV set. You would then have on your hands a highly intricate and challenging jigsaw puzzle of 1,400 or so parts widely diverse in size, form and function with little in appearance or character to connect one with the other.

So it is when you take the TV industry apart. Here's an industrial jigsaw of similarly numerous and diverse components. Components too of a boom which got under way a year or so ago for many small and medium sized industries when the sales curve of TV sets started in on the sharp ascent it shows today.

This is a fast-rising boom (as the accompanying projected sales chart shows) and one that is pretty certain to snowball significantly in the years immediately ahead before some sort of normal growth pace is reached.

It is a boom also not without its pitfalls for the impetuous and inexperienced, some oldsters in the business are quick to warn.

The Two Big Groups

But let's get the basic elements of this business laid out and build the jigsaw from there.

Two broad groups of industry are involved: the men who put the TV sets together and merchandise the finished product and the men who supply the 1,400 or so bits and pieces that go into those sets.

Eighteen months ago there were 16 set makers in Canada. Today there are 22 producing or soon to start producing. By year's end that figure will have grown to 25 or more. (A figure which many in the industry find alarmingly high.)

Putting comparable figures on component manufacturers is not so simple. Radio Television Manufacturers Association had 42 members in its parts division 18 months ago, has 55 now, with perhaps three or four new companies soon to join.

From these figures alone the outline picture of a boom begins to emerge fairly clearly. Sketch in the real key and basis for the boom—figures of set sales—and the picture takes on substance.

The set makers have geared for sales this year of two and a half times as many sets as they sold last year: 350,000 as against 146,370. Some think the total could reach 400,000. On the basis that 50% of their business is done in the last quarter of the year, they should have no difficulty in reaching sales of 300,000, for up to the end of July sales had already hit 134,500. But any forecast above 300,000 is now generally looked on as optimistic because the new stations earlier promised for this year won't now materialize until next year.

How this reaches out and reacts on the component segment of the industry can be pointed up in a few simple statements and sets of figures:

—The average TV set uses six times as many parts as the larger-type radios and 10 times as many as the mantel model.

—The TV parts are more expensive—some cost two and three times as much as their counterparts in radio components.

—The demand on the component (but not cabinet) manufacturers of the TV set makers is additional to, and not a replacement of the radio manufacturers' demand whose business has also increased over the past year.

—The TV manufacturer calls on outside suppliers to a greater extent than the radio manufacturer. An average TV set will have around 85% of its dollar content supplied from outside the maker's own factory as against 60% in radio. Some TV manufacturers buy everything from outside, manufacture nothing for themselves in the way of components. Few are more than 25% self-sufficient.

Who Gets the Benefit?

So much for the basic essentials of the story. Let's get down to details. Who's benefiting? Where? How much business involved? What incidental effects?

What follows is to answer these questions, not in fullest detail, but by well-chosen example. It is to show how this boom touches many people in many places and, the way things are going, to show how it's likely to spread farther yet.

Already touched upon is the fact that it's a boom which has given several small, well-established industries unexpected drafts of prosperity.

It has brought several new industries to Canada and promises to bring more.

It has provided the basis for plant expansions, especially in the electronics field.

It has taken up some slack and provided a new measure of stability to the furniture and cabinet-making industries.

It has meant increased business for many basic industries: steel and other metals, glass, paper, board, textiles and their fabricators.

Here are some specific examples of the business involved, based on the industry's projected production of 350,000 sets in 1953:

—The components manufacturers will produce in excess of $10 millions worth of controls, coils, transformers, resistors, capacitors, and many other items for the set makers.

(This group, the very heart of the industry, is expanding faster than any. Most of the long-established firms have or are now expanding their plant facilities. Several new companies have started business in the last 12 months. More newcomers are on the way.)

—The furniture and cabinet making industry will turn out some 260,000 cabinets also valued at about $10 millions. The balance of the 350,000 will be of plastic—most of which will be imported. Some may be made in Canada later this year but small volume is holding back this development.

—About $2.5 millions will be spent in the steel industry for sheet metal stampings such as chasis parts, other metal fittings and small hardware.

—Another $2.5 millions will be distributed over a wide range of industry, for such things as paper insulation, fibre, glue, some plastic materials, fabrics, rubber and other items.

—About $1 million will be spent for cartons and plywood cases to ship completed sets.

—Tube manufacturers (picture and vacuum) will turn out more than $10 millions worth.

—Some $250,000 will be spent in the printing industry for labels, wiring diagrams, instruction manuals, tags and other printed matter going out with the completed set. The industry will also receive substantial additional sums for printing advertising and sales promotional material.

—Between $15 millions and $20 millions will be spent on antennas.

Business in Small Towns

This is by no means a big-city benefit performance. Most of the new money will find its way into the smaller industrial areas of Ontario like Kitchener-Waterloo. Here is the largest cabinet manufacturer (Canada Cabinets which finds the boom taking up some slack that had been causing some concern) and numerous other manufacturers young and old in this field.

This area also houses a number of the components manufacturers and some other suppliers.

Also in the cabinet field are the nearby towns of Preston, Hespeler, Hanover—traditional furniture centres, now getting a new call for their designing talents and cabinet-making skills.

Owen Sound, Southampton, Kincardine, Arnprior and Strathroy are some of the other smaller Ontario growth areas involved in the furniture field. Firms in Montreal and Victoriaville, Que., also share in the business.

In components, besides the Kitchener area, there are firms in Guelph, Oshawa, London, Welland in addition to Toronto, Hamilton and Montreal.

What of the impact on individual firms? Let's take another look at Farley as reasonably representative of the purely Canadian end of the component field (as distinct from U. S. branch plants).

Farley, who started in business in 1939 in modest premises on a Hamilton back street with a handful of employees, was employing 90 people last year in a plant covering 20,000 sq. ft. Today his work force numbers 320 and he is turning out three times as many coils per week this year as he was last. He attributes all but 10% of this growth to TV demands (the 10% is defense work).

The weekly output will go up in the fall and to accommodate this extra demand another 4,000 sq. ft. of factory space is being added, with further additions under consideration.

Farley's, who do about 60% of the coil business in Canada and have only one Canadian competitor outside the two or three set makers who manufacture their own coils, are confident their business this year will end up three times as large as last year's.

Another example, this time in the U. S. branch plant field: Aerovox Canada Ltd., Hamilton.

This company came into Canada in 1937 to make capacitors for the radio industry. Today it claims to be the largest parts supplier to the radio industry and supplies all Canadian TV set makers.

Last year it employed 250. The current work force totals 400. New jobs are likely soon to open with an expansion of manufacturing facilities under consideration. Currently this firm is having to schedule deliveries of some of its lines, with demand in some cases running ahead of its ability to supply.

This story could be repeated with few variations virtually throughout the whole list of components manufacturers, such is pace of the boom.

That pace is likely to get much hotter. For 1954 and perhaps 1955 some in the industry are forecasting set sales of 500,000 each year, (though others think this high, put the figure at 350,000) as more new stations go on the air both here and in U. S. border points and as the choice of programs becomes wider.

How Long Will It Last?

But what then? One leader in the parts business estimates the real market at no more than 200,000 sets, with 30-40 stations operating, with a growth rate per year of 4%-5%.

He is frankly concerned at the up-then-down nature he sees shaping up in the TV business and anticipates a repetition of his experiences in the radio business. He sees a lot of new firms—set makers as well as component manufacturers rushing into the field in an under-capitalized, unprepared state, only to fall by the wayside in a very few years.

He illustrates his point this way:

"In 1931 I was alone in the field. By the end of 1933 I had six competitors. By the end of 1936 one was left. In 1939 I had none."

He believes a tough situation is already shaping up among the smaller set makers and cites slow payments on two fairly sizeable accounts.

As he sees it, TV merely pushed further development and refinement of radio into the background. He confidently expects that the years ahead will see work resumed on such radio developments as high fidelity reproduction which the TV boom interrupted.

In the meantime, he's hoping the hot breath of competition at the set-making end of TV will soon whittle the number of makers down to more reasonable proportions for the size of the market. Reason: he's finding the cost of doing business too great (25%) with so many manufacturers in the field. He'd prefer bigger orders from fewer customers.

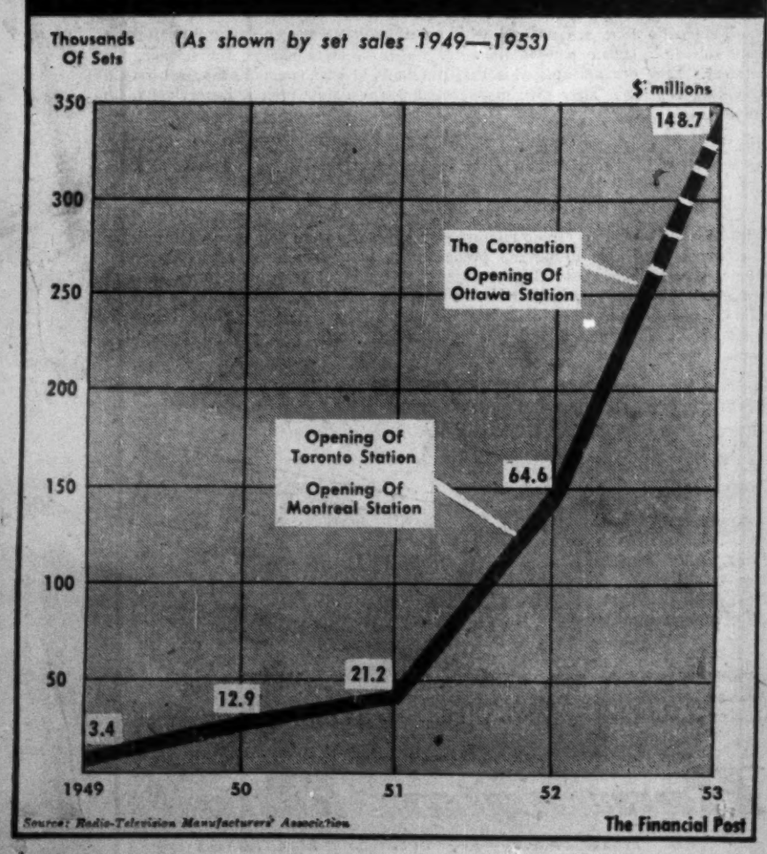
All the same he's adding 50,000 sq. ft.: "My curve has been continuously up since I started in business on my own 30-odd years ago."

In the meantime, with Canadians buying TV sets at the rate of nearly 1,000 a day and sales projected by some to total 2-2.5 million over the next five years (1953-57 inclusive), there would seem to be room for expansion for everybody in the business.

And opportunity for newcomers with the know-how and the financial resources to sustain them in the fiercely competitive atmosphere bound to be generated by such a boom.

Canadian Westinghouse employees, Sheila Dargavel, left, and Barbara Millar, find 1,400 component parts in a single television set, the great majority of which are made by small and large plants throughout Ontario. That's why Canada's fast-stepping TV business adds up to an industrial jigsaw, but a jigsaw that spells boom for a wide cross-section of Canadian industry, once you fit the pieces together.

NATURE OF THE TV BOOM



The Big Reward for Backbush Genius

In Manitoba Hinterlands, A Harvest Worth $250,000

By ROBERT PERRY

For a thousand years or so the Ojibways, Saulteaux and Crees of Manitoba have squatted in their camps and smacked their lips over steaming bowls of ma-no-min, wild rice.

Today, many a city slicker pays a pretty price to smack his mustached lip over a plate of ma-no-min at the glittering tables of world-famous restaurants.

Within 40 years wild rice has gone forth from the lodges of the Redmen to become one of North America's most popular and expensive native delicacies.

The dark needle-like grains with a gamey flavor all their own cost up to $4 a serving in New York; what true Boston trencherman would order roast fowl without wild rice dressing?; it's the rage in Chicago.

Queen Elizabeth (then a princess) sat down to a portion of wild rice at a state banquet in Winnipeg two years ago. "It's our native dish," the Manitobans told her proudly.

But three decades earlier maybe one Canadian in a hundred, hardly one American in a thousand, had even heard of wild rice.

That was before an adventuresome backbush genius named Billy Williams hauled machinery piece by piece into the Manitoba wilderness to build the world's first wild rice harvester.

It wasn't until 1918 that Williams and his old sidekick Billy Holliday pioneered a new industry and revolutionized a craft as old as the land with their own hands and a couple of hundred pounds of rusty metal and haywire.

That was long before Gus Carlson and his big ox Blondie began dragging rice out of the forest on a stone-boat; before a shrewd bush pilot named Shorty Holden started harvesting isolated crops by airplane and two-way radio.

Wild rice has come a long way since a hungry Indian brave first stuffed the grains into his mouth and gave thanks to the Gitchi Manitou, unnumbered centuries ago.

$250,000 Harvest

In the three-week harvest season last year, Manitoba's wild rice industry gathered 200,000 lbs., worth almost $250,000. The Provincial Government collected $61,000 in royalties on a crop so big the industry couldn't sell it all in one year.

Nature, in one of her prejudiced moments, decreed that wild rice would grow almost exclusively in a belt about 50 miles wide that stretches 400 miles through the evergreen forests from Duluth, across Minnesota into Manitoba, and up the eastern shore of Lake Winnipeg.

The heart of this belt is the Winnipeg River country of Manitoba, a dense, swampy, sub-arctic jungle of great beauty that sprawls westward from Lake of the Woods until it thins out to meet the bald-headed prairie.

One autumn day 38 years ago a survey party pushed into the Winnipeg River country from the west. With the party was a bright likeable young man everybody called Billy. His name was Howard Bedford Williams.

Williams was fascinated by the waving acres of slim plants, all a ripe golden brown, that grew in the mud bottom of shallow lake water.

He plucked a handful of the dark grains that hung on the plants; the local Indians called it ma-no-min, the-good-cereal. A few pounds of it could nourish a strong man for months.

The young surveyor had arrived at the full moon, a time of good omens, when the rice ripened in the shallows and the Indian bands pushed their canoes onto the lakes for the harvest. Their camps bustled with energy and gaiety.

The men forced the canoes through the rice beds, and their squaws wielded pairs of thin sticks. With one stick they bent a few rice stalks into the canoe; with the other they knocked off the ripened grains.

Late into the night the Indians "parched" or "toasted" the rice. They spread the grains on thick hides and stretched the hides over fires. The squaws jostled the parching rice to keep a steady temperature.

To remove the hulls or husks, the Indians dug shallow pits in the ground, into which they dumped the parched rice. With moccasined feet they "danced" the grains, prancing off the husks which were swept away on the wind.

He Found Easier Way

Williams was impressed, but not too impressed to stop dreaming. "I thought there must be an easier way," he said later.

By finding an easier (and cheaper, and faster) way, Billy Williams laid the foundation of a new industry and built a new life for himself.

Williams was born 59 years ago near Duck Lake, Saskatchewan, the son of an Anglican missionary. Typhoid fever killed his mother when he was a small boy.

Today, Billy Williams is big (5 ft., 10 in., 190 lbs.) and bronzed, topped by a shock of thinning white hair. He speaks like a man sitting in church, softly, convincingly.

"Billy," say his friends, "is a grassroots genius."

Williams moved to the Dakotas as a youngster, and that's where he got his schooling. In Iowa he worked in a sugar beet plant, and that's where he mastered half a dozen crafts by wangling a general apprenticeship.

It was 1915 when Williams first saw the Indians harvesting wild rice. Two years later he was back in the Eastern Manitoba bush, carpentering for a hydro plant on the Winnipeg River at Pointe du Bois, not far from Lac du Bois, a shallow rice lake that had snared his imagination.

H. B. (Billy) Williams

Billy Williams was a mystery to his fellow workers. He was a first-rate carpenter, plumber, decorator, electrician, improvisor.

"He used to make canoes to order," a friend recalled not long ago. "Everything that went into those canoes, except paint, canvas and glue, Billy took right out of the bush."

Beyond his craftmanship, Williams was gifted with a fair measure of artistic talent. Today he still works prolifically in oils, painting humble, sensitive portraits of the face of the wilderness.

At Pointe du Bois Williams teamed up with an old-timer named Billy Holliday. In their spare time they trekked eight miles into Lac du Bois to solve their first major problem: how to harvest wild rice mechanically.

How They Do It

"Old man Holliday and I built the first wild rice gathering machine in the world," Williams recalls.

Part by part, they lugged in the machinery for their ungainly "rice boat." Williams downed the trees for the wood to build the hull and the big paddle wheel that drove it.

Their machine was an awkward scow driven by a gasoline engine. Three large rotating beaters jutted out ahead and from either side. The paddle wheel forced the scow through the rice beds and the beaters gently knocked the ripe rice into large pans.

It was noisy, cranky and makeshift. But it was practical. The Williams-Holliday harvester was a haywire version of the industrial revolution, snorting and clanking into the wilderness.

The design hasn't changed much since. In fact, the harvester Williams drives across Lac du Bois now is Mark V of the same design, and just about every rice harvester in North America is a modified copy.

The Williams-Holliday team then pepped up the processing. They built cement "dancing pits" to speed up the hulling, and they shaped flat sheet-metal pans for better parching.

Wild rice wasn't much of a business then, merely the odd sales for seeding experiments and the like. What little wild rice was reaching the consumer markets was mostly harvested by the Indians of Manitoba and Minnesota. The market grew slowly.

But an odd thing happened in 1937. A horde of pheasants overran the Dakotas that fall, endangering the wheat crop. The state governments opened a special shooting season to thin them out.

Sportsmen from thousands of miles away poured into the fields, slaughtering the fowl by the hundreds of thousands. Every one of them wanted wild rice for dressing the birds. The boom was on, and it hasn't stopped since.

Billy Williams promptly revolutionized wild rice processing, as prices doubled, then tripled.

In 1938 he designed and built a hulling machine to replace the crude "dancing pits." It was simple enough: a large drum in which rubber-padded beaters threshed off the husks. Within a year he'd invented his own parching drums, old oil drums that rotated over poplar wood fires.

His quiet camp on the south shore of Lac du Bois grew into a small factory town, 15

(Continued on page 22)

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G—119

CONSTRUCTION TRENDS

By HARLEY POTTER

If This Plan Adopted, Trucks May Soon Whiz Past Your Third Floor Window

Back in the roaring days of railway development, tycoons Mackenzie and Mann had a plan. They wanted to run their tracks smack down the centre of Yonge St. in Toronto.

Had they had their way, trains would have tootled merrily along the roadway, just as streetcars do today. Authorities blocked them, and the shared right-of-way went into oblivion. (Except for a few cases: industrial Oshawa must tolerate a railway on one of its main streets).

Now the shared right-of-way has risen again, this time in a modern, reinforced-concrete dress with perhaps more virtues from a taxpayer's standpoint.

An automobile company executive has put forward the provocative suggestion that the cheapest way to build express highways in cities is on piers above railways. And in the country, on the ground alongside the railway, either on the railway right-of-way or on a strip hugging it fairly closely.

In cities, authorities would not have to expropriate expensive land. They would leave sewers and other services undisturbed, and no overpasses would be required, he argues. In the country, routes are the most direct, curves are flat and grades the best.

His idea is getting careful thought from officials in this country. Metropolitan Toronto, for one, may handle its proposed Lakeshore Expressway in such fashion for part of its route.

However, common routes for the railway and the motorist have their limitations.

Ontario's Department of Highways has used some abandoned railway rights-of-way for highways. The railways have to worry about trees falling on their telegraph wires or tracks. They have used rights-of-way of about 100 ft. to avoid this sort of trouble. Highways do not as a rule need that much room.

But it is not economic to follow a railway route all the way across an uneven landscape, Ontario's engineers find.

Railway cuts are too narrow (14 ft.) for highways. So the highway builder must make his own cut through a hill, go over it or around it. The economics of this decision are different for him than for the railway builder. Trains can take only very slight grades—about six inches in 100 ft., ordinarily. So the highwayman using an old railway right-of-way winds up by zigging and zagging considerably from the straight-and-narrow path left for him.

But with a railway actually operating at his elbow—which the suggestion involves—a highway engineer would find himself cramped. He would not be free to wind his highway this way and that as his terrain dictated.

The motorist would find a train at his elbow bothersome too. He would be getting a steady diet of smoke and steam for long stretches when the downdraft went the wrong way. His chance of having an accident would rise. Ontario's department even frowns on cost cutting by sharing causeways or bridges with trains.

To beat the smoke menace, the road could be placed a distance from the track. (Ontario requires highways parallel to railways to be about 400 ft. away). But this would annul much if not all of the cost saving, since the land between the road and railway would have to be bought too.

In the city, smoke and steam would swirl up around an overhead road, it is claimed. Even diesels make their quota of smoke.

However, if all trains were brought into the city by electric locomotives, as is required in New York City, this snag would be ironed out.

The double-deck roadway probably holds more promise than the roadway over a railway.

Both methods are being considered by Metropolitan Toronto, which needs a new expressway along the Lakeshore. Some people urge a double deck road on Fleet St., as you enter the heart of the city from the west. It may also prove economical to build over the railway just north of the Canadian National Exhibition grounds.

Building an elevated highway is much like building a long bridge. The Provincial Government estimates, without getting down to cases, that this sort of structure would cost about $1,000 a running foot. That is, a four-lane raised highway would carry a tag of over $5 millions a mile.

Engineers must weigh the cost of a raised highway against the cost of expropriating land to build an ordinary highway on the surface. To build a highway through the run-down residential parts of downtown Toronto would cost about $6-$10 million a mile, everything included.

A raised highway would no doubt provoke people along its route to sue for all sorts of damages: light shut out of windows, noise, smell of gasoline, and the like.

A roadway over another roadway would likely cost less than a roadway over a railway. Properties along railways are usually less choice, and damages would not run so high.

But an important fact is that more clearance would be needed over a railway. There, the highway designer would have to allow about 22 ft. as against 18 ft. of room if a highway were underneath.

In either case, 24-hour street-lighting underneath would add a bit to operation cost.

Snow removal makes a big difference between the raised highway in most parts of the U. S. and our country. If you plow or blow snow off the top, where do you put it? You do not want it sliding onto the lower highway from the sides. And if the upper deck projects to the edge of the right-of-way, neighbors will not stand for snow being dumped on them. Only answer is to truck the snow away as it is plowed. The city engineer has no time for that when he must open many key routes after a bad storm.

In practice, a raised roadway over a roadway would likely be narrower than the road underneath.

The taxpayer would of course get some respite on snow removal costs from the lower deck.

In Toronto, one difficulty an overhead Lakeshore Expressway that went over railway tracks would encounter would be overpasses—claimed not to be a problem by the auto executive who advocates over-railway roads. There are already overpasses over the railway, and a raised highway would have to be raised above them too, most likely.

The raised roadway is not the only kind of expressway that is not on the surface. In Detroit one expressway is a block-wide sunken highway. The builders raised the area between two streets, excavated, but left the two old streets as service roadways on either side.

• • •

U. S. Govt. Must Take Our Bids

Some Canadian contractors complain that U. S. contractors get unfair advantage on tariff duties on equipment they bring over here. They view with alarm the number of foreign operators on our construction scene.

But the Canadian Government does look out for them in a number of ways too. For instance, it demanded that the U. S. allow Canadian contractors and suppliers to bid on an equal basis on a pipeline that passes through Canadian territory from Haines, Alaska, to Fairbanks, Alaska. The U. S. agreed, is now calling for tenders from any Canadians who are interested. The 8-in. pipeline is 610 miles long. Some 284 miles and $12 millions of the project will be in Canada. Separate bids on the pipeline, pumping stations and dock facilities are possible. It has been suggested U. S. and Canadian firms bid jointly, then look after construction in their own territories separately.

• • •

Swimming Pool Serves For Fire Protection

Imaginative is the word for subdivider Roland C. Morris of St. John's, Nfld. His suburban Glendale development needs fire protection, so he is downing three birds with one stone.

He's putting in a swimming pool. In summer, his home buyers can swim in it. In winter, they will skate on it. And it will always be an available water reservoir for fire fighting. It measures 200 ft. by 160 ft., will contain 500,000 gal. of water. Underground springs and small brooks feed it.

Some 70 families already live in the area, where some 75 acres are laid out for building.

• • •

Dom. Bridge Makes Record Derrick

Largest erection derrick of its type ever designed and built in Canada is the claim of Dominion Bridge Co. for a product of its Lachine shops.

The derrick is being used at the new Sun Oil Co. refinery at Sarnia, where Catalytic Construction Co. of Canada are contractors.

Five railroad cars were needed to take the derrick there. It can lift up to 150 tons, has a 160 ft. boom and 180 ft. mast, mounted on a spherical thrust bearing. There is a 20-ft. diameter bull wheel. An extra 20 ft. fits onto a boom, to provide two 180 ft. poles if desired. On top of a 15 ft. tower, the mast reaches about 200 ft. from ground level.

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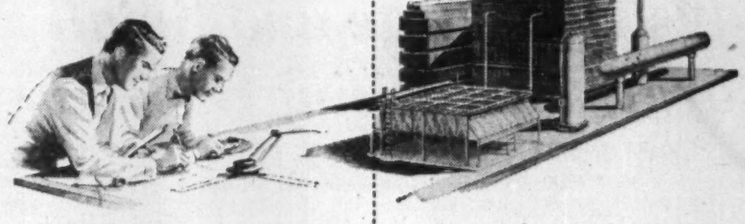

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Company opened one retail store in Canada and completed major remodeling projects at four other Canadian stores, reports President Lingan A. Warren of the U. S. parent company, Safeway Stores Inc.

Current assets of Canada Safeway Ltd. at June 13, 1953, stood at $19,766,037, and included $1,999,865 for properties for sale under company's "buy-build-sell-lease" real estate program. Total assets were $24,120,584, and current liabilities $9,269,336.

Provision for income taxes was $1,416,000 in the first 24 weeks of 1953, compared with $2,886,513 in the 1952 period.

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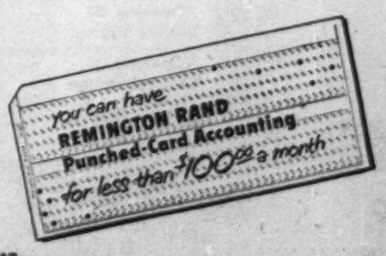

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Hail Losses On Prairie Farms Hit Insurance Companies Hard

From Our Own Correspondent

WINNIPEG—If hail insurance companies are right in the claim they have to hold their losses to 65% of premiums collected in order to break even, 1953 has been a bad year for them in Manitoba.

While the insurance department hasn't the year's figures on premiums collected and losses paid, it is known that claims exceed 70% of the premiums and when final figures are in, may run to 75%.

In Saskatchewan and Alberta the situation is worse. August brought some heavy hail losses in Manitoba but the crop year is now so far on it is improbable there will be any more.

Hail insurance companies have to hit a bad year sometimes and for the past eight years can't complain about their breaks. Their last bad spell was in the early 1940's. In 1942, claims paid were 57.61% of premiums collected, in 1943 they were 77.31%. In 1944 there was disaster. Losses were 111.9% of premiums apart from their cost of doing hail insurance business.

Except for 1952, all the years from 1945 on have been favorable for the companies. In 1945 losses were 15.02% of premiums, 8.79% in 1946, 24.13% in 1947, 20.38% in 1948, 24.09% in 1949, 15.96% in 1950, 27.81% in 1951, and 60.92% in 1952.

Maybe there is something in the claim bad hail losses come in cycles about every 10 years. At any rate the hail pattern of the early 1950's is strikingly parallel to that of the early 1940's.

Combine Chief Asks Data On Auto Insurers

All insurance company managers, stock and mutual, tariff and non-tariff, and associations writing automobile insurance in Canada have been asked by T. D. MacDonald, Director of Investigation and Research, Combines Investigation Act, for information on financial structure of each company, premium and commission rates, contracts between companies and agents, type of automobile insurance written and affiliations with associations.

The enquiry, it is pointed out is "not directed to suspected contravention of the act, but is for the purpose of studying and reporting upon practices which may raise some question of the public interest."

The 17 questions asked must be answered by Sept. 30.

Provicial superintendents of Insurance received a copy of the questions and a letter asking for information on provincial companies, licensed to write automobile insurances, the applicable provincial legislation and other details.

Human Relations Seminar At McGill

MONTREAL (Staff)—The nation-wide "back-to-school" movement spread to 44 high-level executives, as they attended a concentrated five-day Institute on Administration and Management Problems, in Montreal last week.

The new venture was sponsored jointly by McGill's Industrial Relations Centre and Applied Psychology Centre, and conducted by Dr. J. C. Bailey, professor of human relations, Harvard School of Business Administration. Primary aim of the Institute was to debate business problems, so that "the group would think its way through a situation." The objective was to "increase insight and skills in dealing with the human factors involved in getting work done through others."

The seminar, which ended Sept. 4, was unique in its application of the case method to cover a wide territory of problems in a short period, entirely through informal discussion. An advanced version of the course may be held next year.

Attending the current session were:

J. W. Barrie, general sales manager, Drummondville Cotton Co.; C. R. Bebee, regional operations manager, B.A. Oil Co.; R. W. Blair, assistant superintendent, Extrusion & Tubing Dept., Aluminum Co. of Canada; F. P. Brachi, assistant district sales manager, Aluminum Co. of Canada; Maurice Brain, methods accountant, Dominion Textile Co.; Eric Burn, superintendent, St. Henry Works, Steel Co. of Canada; H. G. Campbell, chemicals dept. sales administrator, C.I.L.; M. L. Carey, technical advisor to the general manager, Aluminum Co. of Canada; T. V. Chandler, director of administration, Canadair Ltd.

M. A. Clarke, industrial engineering supervisor, Canadian Cottons Ltd.; Douglas Cooper, manager Kingston Works, C.I.L.; C. E. Craig, assistant Montreal sales manager, Aluminum Co. of Canada; Oscar Dahlstrom, superintendent, Remelt Dept., Aluminum Co. of Canada; H. F. Dixon, plant manager, Monsanto Canada Ltd.; M. A. Dobrin, staff assistant to the sales manager, Steinberg's Ltd.; A. Dosogne, assistant superintendent, T. Eaton Co.; R. A. Dray, export sales department, Aluminum Co. of Canada; Louis Hebert, chief accountant, Banque Canadienne Nationale; E. B. Herrin, treasury manager, Shell Oil Co. of Canada.

J. A. Hill, office manager, Dominion Textile Co.; A. G. Lennon, assistant to the manager, Canadian Potteries Ltd.; W. G. Mann, personnel advisor, Bank of Montreal; Richard Massey, assistant manager, Ontario mill, Canadian Cottons Ltd.; J. G. MacLeod, woodlands superintendent, Consolidated Paper Corp.; S. W. McDermott, general superintendent, Notre Dame Works, Steel Co. of Canada; F. D. McKechnie, personnel administration manager, Standard Brands Ltd.; L. J. P. Miedema, manager of technical services, Consumers Glass Co.; J. R. Mills, secretary, Foundation Co. of Canada; D. F. Nasmith, technical advisor, Aluminum Co. of Canada.

R. J. Nixon, assistant to explosives division manager, C.I.L.; R. F. Ogilvy, project engineer, Aluminum Co. of Canada; E. H. Puley, assistant manager, Crane Ltd.; P. J. Robson, assistant office manager, Howard Smith Paper Mills Ltd.; Max Roibin, manager radio division, RCA Victor Co.; N. K. Sanderson, head of production department, Drummondville Cotton Co.; W. J. Moehring, engineering dept., RCA Victor Co.; J. B. Schwab, staff relations assistant, T. Eaton Co. of Montreal; N. J. Smith, assistant plant manager, Southern Canada Power Co.

Nathan Steinberg, vice-president, Steinberg's Ltd.; L. C. Thompson, ammunition works manager, C.I.L.; A. M. Thomson, production superintendent, Montreal paint works, C.I.L.; and G. S. Williamson, superintendent Montreal chemical plant, Shell Oil Co. of Canada.

Short Position Rises On T.S.E.

Semi-monthly short position of the Toronto Stock Exchange on Aug. 31, eliminating odd lots on members' books, aggregated 673,120 shares of 183 issues, compared with 634,285 shares of 173 issues on Aug. 14.

Largest net changes in individual stocks were:

Stock	Shares	Stock	Shares
Bell Tele	+1,900	Headway	+8,000
Brilund	—18,500	New Lar U	+32,500
Chimo	—10,775	Silvr-Miller	+6,240
Dom Asbes	+24,800	Sud'y Cont	—7,900
East Rim	—9,000	Stanwell	—19,700
Gaitwin	—6,000	Trans Era	+15,000

Here are short positions in detail:

Stocks	Shares	Stocks	Shares
Abitibi	3,750	Hudson Bay	75
Akaitcho	1,000	Imp. Oil	4,500
Albermont	800	Inspiration	5,700
Algoma	150	Int. Nickel	1,050
Aluminium	2,750	Int. Pete	200
Anacon	5,700	Jacknife	2,000
Anglo-Cdn.	500	Jasper	1,400
Anglo-Huron	100	Jupiter	400
Aquarius	2,000	Kroy Oils	700
Argus	500	Kerr Add.	700
Armistice	1,000	Keymet	1,000
Asbestos	200	Labrador	300
Ascot Met.	5,000	Lake Duffault	1,100
Atlas Steel	600	Landover	3,500
Barnat	1,000	Laurent. "A"	100
Banff Oils	800	Macassa	200
Baruve	1,700	MacLeod	1,000
Base Metals	500	Madsen	200
Baska	5,000	McColl	25
Beaver Lodge	500	Manit. & East.	500
Bell Tele	3,025	Marbenor	8,000
Bellekeno	500	Massey-Harris	3,800
Bobjo	6,000	Mid. Continent	500
Bonville	1,100	Mindamar	300
Bordulac	1,000	Minda-Scotia	1,000
Bralorne	100	Merrill Pete	100
Brilund	37,800	M. & O. Paper	50
B. A. Oils	2,500	Nat. Pete	2,000
Brit. Empire	500	Nesbitt Lab	39,400
Brunston	5,500	New. Brit. Dm.	200
Broulan Reef	200	New Calumet	1,100
Brunhurst	5,000	New Concord	100
Brunswick	100	New Delhi	5,900
Buffalo Ank.	1,000	New Dicken.	1,150
Buffalo Cdn.	1,000	New Fortune	500
Calder Bous.	7,500	New Highridge	500
Calgary Ed.	600	New Laguerre	2,000
Callinan	1,500	New Lard U	47,900
Calvan	100	Norgold	3,000
Camp. Chib.	100	Noranda	550
Can. Cement	25	Normetal	1,700
Can. Pack B	100	Nubar	1,000
Cdn. Celanese	175	Ont. Pyrites	2,200
Cdn. Pacific	535	Ont Pyr B wts	3,100
Cdn. Pipeline	1,900	Osisko	500
Cdn. Williston	100	Partanen	2,500
Cassiar	4,600	Parbec	8,000
Cent. Explor.	7,200	Pathfinder	500
Chesterville	1,500	Paymaster	1,500
Chimo	11,400	Ponder Oils	100
Citralartic	500	Peruvian	430
Cobalt Cons.	1,900	Preston	9,900
Coldstream	1,000	Price Bros.	500
Cons. Discov.	8,300	Prospect. Air.	1,400
Cons. Oriac	300	Que. Nickel	2,000
Cons. Smelt.	4,325	Que. Copper	1,500
Cons. Paper	25	Quemont	900
Conwest	200	Red Poplar	1,000
Corby "A"	100	Rix Athaba.	1,500
Devon	1,500	Royalite	700
Dom. Asb.	72,000	St. Lawrence	1,600
Dom. Steel	200	Sand River	1,000
Donalda	9,300	Sapphire	500
East Mal.	1,100	Scurry	300
East Rim	1,000	Shawkey	2,000
East Sull.	3,100	Sherritt	11,000
East Met.	8,000	Silver Mil	10,750
East. Steel	100	Simpsons	200
Eureka	9,000	Stanwell	1,000
Eureka Wh.	2,800	Starratt	8,000
Falconbridge	100	Steep Rock	13,700
Fargo	1,800	Sudbury C.	22,500
Fed. Pete	1,000	Toronto Elev.	150
Ford "A"	725	Traders "A"	125
Frobisher	500	Trans Empire	100
Frobisher Wts	1,300	Trans Mount.	900
Gaitwin	1,000	Trans Era	15,000
Gatineau	110	Trans Telev.	18,200
Gen. Steel W.	100	Trend Pete	1,500
God's Lake	1,000	Tungsten	10,500
Gold Crest	1,000	Un. Asbes.	43,900
Golden Man.	500	Un. Keno	3,100
Graham Bous.	3,000	United Oils	2,500
Great Lakes	400	Upper Canada	100
Gridoil	5,000	Ventures	400
Gunnar	9,300	Violamac	9,300
Gypsum	200	Waite Amulet	2,800
Harricana	3,000	Walkers	300
Headway	10,500	West. Tngstn	1,600
Hollinger	100	Winora	500
Homer	1,300	Yukeno	1,600
Howard Smith	300	TOTAL	673,120

Miners Ask N. S. Royal Commission

MONTREAL (Staff)—Buffeted by economic winds which have all but dried up potential sources for higher wages, Nova Scotia coal miners have asked the appointment of a Royal Commission to investigate all phases of the province's coal mining industry.

The request for full-fledged hearings has been sent to N. S. Mines Minister A. H. MacKinnon by the executive of the local United Mine Workers Union.

Meanwhile an air of uncertainty hung over the Cape Breton collieries of Dominion Steel & Coal Corp. Despite two voted rejections of any extension of the present contract, which expired Jan. 31, no strike vote has yet been called. No further action is now expected by the union until its annual regional convention on Oct. 12.

Ins. Accident, Sickness Clauses May Be Revised

When the provincial insurance superintendents meet in Charlottetown next week some lively discussion is expected following the report of the standing committee on accident and sickness insurance legislation.

Following the decision made by the Superintendents' Association after the last Conference, the committee in its report to be submitted to the coming conference suggests certain amendments to the accident and sickness part of the uniform insurance act. One is repeal of the general exemption of fraternal societies from application of the accident and sickness part of the act regarding new contracts.

It has also been suggested that a new section should be added defining "non-cancelable" policies and prohibiting use of the term "non-cancelable" in policies not falling within the definition. Apparently there has been some difficulty in the past on this matter and the proposed amendment would help to clarify the situation.

Another point likely to come up is whether a company should be allowed to use as a defense the existence of a health condition over three years old.

The wisdom of allowing a policyholder 30 days grace for payment of a premium is also likely to be discussed.

Other amendments and changes in the statutory conditions include some that appear largely technical and a matter of wording.

The uniform insurance act is in effect in all provinces except Quebec and Newfoundland.

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Announcement

C. P. McTAGUE HEADS FINE FOODS OF CANADA

DANIEL F. GERBER — HON. C. P. McTAGUE — A. P. CHAUVIN

Announcement of the appointment of Hon. Charles P. McTague, Q.C., LL.D., as president of Fine Foods of Canada Limited, Tecumseh, Ont., has been made by William F. Dietrich, chairman of the board of that company, also president of Green Giant Co., Le Sueur, Minn. Fine Foods of Canada are packers of such well-known lines as: Green Giant Brand Peas, Green Giant Brand Wax Beans, Niblets Brand Whole Kernel Corn, Niblets Brand Mexicorn, Delmaiz Cream Style Corn, Garden Patch Brand Fresh Corn, Garden Patch Brand Wax Beans, Blue and Gold Brand Peas and Blue and Gold Wax Beans. Mr. Dietrich also announced the appointment of Daniel F. Gerber as vice-president and of A. P. Chauvin as a director. Mr. McTague is a prominent Toronto barrister who is also president of Eastern Canadian Greyhound Lines Limited; director of Consolidated Bakeries Limited, Telegram Publishing Company Limited, Brown Company, Berlin, N.H., and Detroit International Bridge Company; and a member of the Toronto advisory board of the Royal Trust Company. For three years, Mr. McTague was a Justice of the Supreme Court of Ontario, and a Justice in Appeal. He was appointed Chairman of the Ontario Securities Commission in 1945. Daniel F. Gerber is chairman of the board and president of Gerber Products Company; president of Gerber-Ogilvie Baby Foods Ltd., Niagara Falls, Ont.; chairman of the board of the Old State Bank of Fremont; director of Fremont Lumber and Fuel Company, and chairman of the Michigan Economic Development Commission. A. P. Chauvin is Administrative Officer of the Detroit Trust Company.

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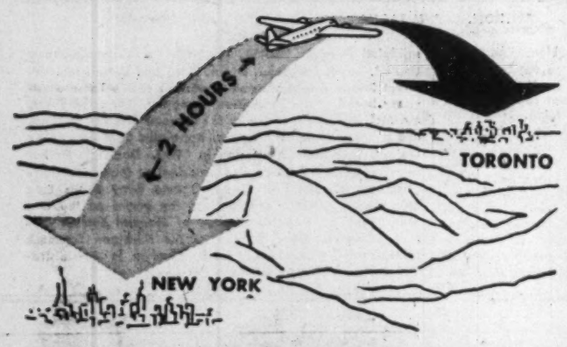

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ONE VIEW OF THE MARKET

Here Are Stocks Traded By National Life In 1952

Canadian life insurance companies have an investment of $81.7 millions in Canadian stocks. As a service to its readers, The Financial Post presents here one of a series reporting on individual companies' holdings of Canadian preferred and common stocks, as well as changes in these holdings last year.

National Life Assurance Co., Toronto, in 1952 reduced its holdings of common stocks from 3.7% to 3.4% of invested assets. Preferred stockholdings amounted to 4.1% of the total at Dec. 31, 1952, compared with 4.3% a year earlier. Stocks were carried at a total value of $2,022,687 on the balance sheet at the end of 1952.

During the year, National Life made two changes in its holdings of Canadian stocks:

—Sold 150 common shares of Consumers' Gas Co. of Toronto.

—Redeemed 2,000 common shares of Ottawa Light Heat & Power Co.

Here are holdings of Canadian preferred and common stocks at Dec. 31, 1952, together with changes from previous year end:

	Shares Held at Dec. 31 1952	Change Since Dec. 31 1951
Preferred Stocks:		
Aluminum Co. of Can.	2,000	.....
Cdn. Bronze Co.	350	.....
Cdn. Car & Foundry	2,000	.....
Cdn. Celanese Ltd. $1.75	1,600	.....
Cdn. Food Products	750	.....
Cdn. Oil Cos. 5%	260	.....
Davis Leather	1,000	.....
Dom. Tar & Chemical	2,500	.....
General Steel Wares	500	.....
Jamaica Public Service B	995	.....
Do. C	545	.....
Do. D	23,180	.....
Loblaw Groceterias A	780	.....
McColl-Frontenac Oil	1,000	.....
Moore Corporation	300	.....
National Grocers	2,000	.....
Rolland Paper	390	.....
Saguenay Power Co.	500	.....
Shawinigan Water, Power	1,500	.....
Howard Smith Paper M.	750	.....
Southern Can. Pwr. Co.	250	.....
Steel Co. of Canada	2,500	.....
Geo. Weston Ltd.	500	.....
Argus Corp.	250	.....
Traders Finance Corp.	500	.....
Common Stocks:		
Consumers Gas	....	—150
Montreal Telegraph Co.	300	.....
Ottawa Light, Heat & Pr.	....	—2,000
British American Oil	4,200	.....
Standard Oil of N.J.	1,620	.....
Teck-Hughes Gold Mines	12,500	.....
Cdn. Celanese	400	.....
Dom. Tar & Chemical	800	.....
International Nickel	1,500	.....
Goodyear Tire & Rubber	200	.....
Moore Corp.	1,000	.....
Bank of Montreal	5,000	.....
Cdn. Bank of Commerce	5,000	.....
Dominion Bank	4,300	.....
Imperial Bank	3,800	.....
Royal Bank	5,000	.....
Can. Permanent Mtge.	1,660	.....
Huron & Erie Mtge. 20%	1,600	.....
National Trust	710	.....

National Life's invested assets at year end consisted of 34.4% bonds, 48.5% mortgages, 6.3% policy loans, 7.5% stocks, 2.4% real estate,and 0.9% other assets. Here is an analysis of invested assets at the end of each of the last four years:

Analysis of Invested Assets

	1952	1951	1950	1949
Bonds:	%	%	%	%
Government	22.2	23.3	25.8	28.3
Municipal	3.4	2.9	2.9	3.3
Other	8.8	8.0	6.8	6.8
Total	34.4	34.2	34.5	38.4
Mortgages:				
Urban	48.5	48.4	46.0	41.9
Policy Loans	6.3	6.1	5.6	5.5
Stocks:				
(a) Preferred	4.1	4.3	4.6	4.7
(b) Common	3.4	3.7	4.3	5.1
Total	7.5	8.0	8.9	9.8
Real Estate	2.4	2.6	2.9	1.9
Other	.9	.7	1.1	2.5
Grand Total	100.0	100.0	100.0	100.0

New Plant For Photo Engrav.

Photo Engravers & Electrotypers Ltd., Toronto, is constructing a new plant on a 16-acre site in Etobicoke township on Toronto's outskirts to handle the anticipated increased catalogue requirements of Simpsons-Sears Ltd.

Cost is estimated at $3,625,000, the major portion of which will be provided by sale of $3.5 millions 5¼% first mortgage sinking fund bonds, Series A, due Dec. 15, 1968. The bonds will have a sinking fund calculated to retire the whole issue by maturity.

Company entered into a new 15-year contract with Simpsons-Sears on June 4, 1953, for the production of their catalogues. For more than 20 years, it has been producing Robert Simpson Co. catalogues. Simpsons Ltd. has a substantial interest in the company.

Contract for the new plant has been let to Foundation Co. of Canada.

Employee Shares

Photo Engravers & Electrotypers President H. B. Keenleyside has revealed also that directors approved April 28 the making available of 3,000 shares to fifteen executives and department managers at the then market price ($30½ a share). Five thousand shares have been set aside altogether for this purpose.

Participants may take part either on a firm-purchase basis with the price payable in ten equal annual installments, or on an option-to-purchase basis exercisable over the same period.

The plan is felt desirable in view of small employee participation in ownership of the company and the desire of some of the key personnel to have the company facilitate such participation; and second, because the company believes it desirable to provide a method for share participation of senior employees, and offer them incentives basically comparable to those being offered by many other Canadian industries.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

SHEEP CREEK GOLD MINES in its annual report for the year ended May 31, 1953, reports production at the Paradise mine is almost certain to be resumed in the not-too-distant future but the Zincton mine will not be reopened without a substantial increase in the price of zinc.

There was a $107,072 net loss during the year.

Ore developed, plus geological possibilities of the Mineral King property, are stated by Managing Director H. E. Doelle to be of sufficient magnitude to recommend erection of a 400-ton concentrator. Work last year has developed 325,000 tons of ore averaging 1.4 oz. silver, 2.1% lead and 5.2% zinc. One large ore body has been traced for 1,000 ft. and is still continuing in the face. A slightly smaller ore body has been traced for 700 ft. and two other ore bodies have been discovered by diamond drilling. No new financing is expected to be necessary to place the Mineral King property in production and the property is now being prepared for operation.

An option was granted in October, 1952, to a mining group to purchase the Sheep Creek gold mine for $150,000, payable in installments over a number of years.

INCOME ACCOUNT

Years Ended May 31:	1953	1952
Production	$3,547	$1,812
Concentrates	837,032	1,529,905
Less: Expenses	821,996	980,011
Oper. earnings	18,583	551,706
Add: Sundry rev.	15,143	31,249
Est. Cost-Aid	.....	2,033
Less: Depr. & depl.	47,894	67,399
Outside expl.	93,104	72,347
Income tax reb.	.....	93,788
Net profit	*107,072	351,254
Less: Dividends	150,000	225,000
Surplus for year	*257,072	126,254

*Loss or deficit.

Earnings per Share and Dividend Record:		
Earned	d$0.06	$0.19
Paid	0.08	0.12

CONDENSED BALANCE SHEET

As at May 31:	1953	1952
Cash & bullion	$256,507	$754,229
Accts. rec.	28,399	28,221
Mkt. secs. & int.*	164,887	196,776
Mat. & supplies	65,427	93,501
Total curr. assets	515,220	1,074,727
Prep. & def. chgs.‡	2,407	9,778
Invest.	46,935	192,368
Roads	20,991	19,898
Mng. cis. & dev.‡	4274,004	158,149
Plant & equip.†	354,450	320,140
Total assets	1,214,007	1,767,880
Accts., etc., pay.	35,380	67,135
Taxes payable	28,093	118,854
Total curr. liab.	63,473	185,989
Capital stock	644,001	644,001
Earned surplus	506,533	937,090
†After depr. of	578,294	530,599
‡After depl. of	.....	40,821
*Market value	unstated	160,500
‡Included in curr. assets in co's report.		
♦At cost less amts. w/o.		
Working capital	451,747	888,738

CONSOLIDATED OKA SAND & GRAVEL CO. net profit of $7,399 for year ended April 30, 1953, was 54.2% lower than previous fiscal year's net of $16,155.

INCOME ACCOUNT

Year Ended Apr. 30:	1953
Net earnings	$23,403
Less Deprec.	15,784
Mtge. Int.	1,753
Inc. taxes	2,467
Net profit & surplus	*7,399
Times Interest Earned:	
Before deprec.	16.20
After deprec.	7.20
Earnings per Share:	
Pref. & com: Earned	$0.12
None paid.	

Note: Net profit for the year ended April 30, 1952, was $16,155.

CONDENSED BALANCE SHEET

As at Apr. 30:	1953	1952
Cash	$132,101	$79,632
Accts. rec.	49,167	80,743
Inventories	2,459	4,258
Total curr. assets	183,727	164,633
Prep. exp.§	2,820	5,571
Misc. assets	2,992	5,145
Fixed assets*	197,090	218,268
Total assets	387,629	393,617
Total curr. liab.	52,302	49,689
Funded debt	25,000	50,000
Cap. stk.: Pref.	95,475	95,475
Common	142,595	142,595
Earned surplus	72,257	64,856
*After depr. of	418,222	460,148
§Incl. in curr. assets in co's report.		
Working Capital	131,425	123,944

Swim Safety Suit Success

MONTREAL (Staff)—A swimsuit with a built-in life preserver has proven its success this season and will be marketed on a large scale across Canada next summer.

Made under license by Art Knitting Mills Ltd., Montreal, about 20,000 of the suits were sold experimentally this season. Demand developed quickly for the unique swim wear and plans now call for an initial run of about 100,000 of the garments for the 1954 vacation season. Marketed as "Marksway Safety" swim suits, their design is a patent of Mark Shaw, a British inventor. Special features of the suit is a series of built-in panels containing kapok, enclosed in a special water-proof air-breathing cotton material known as ventile cloth.

In women's suits, the panels are mounted on the sides, just above the waist line; for men and boys, they are on the front of the trunks. While providing sufficient buoyancy to keep a normal person safely afloat, the panels are said not to add any great bulk to the garments.

R. B. Cohen, manager of Art Knitting Mills said the new suits give the swimmer so much buoyancy that he displaces less water, and can swim faster than normally.

"Even if he tries hard, a swimmer cannot stay long under water in one of the new suits," he adds.

The swim suits have been sold through department stores in many Canadian centres this season, and are expected to become available at a wider range of outlets next year. Selling price has been $14.95-$17.95 for ladies' suits and $9.95 for the men's model.

MARKET COMMENT

The informed opinion of men experienced in market analysis is given regularly in this investment feature. For profit add their viewpoint to yours. You get them in

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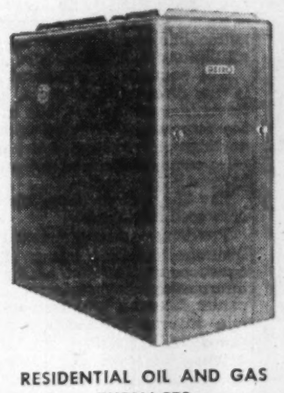

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Oil burners for residential use. Commercial and industrial oil, gas, and combination oil-gas burners. Residential oil burner illustrated.

Known and respected for trouble-free heating for half-a-century

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Reputation—Petro has been a leader in automatic heating for 50 years. It is a nationally advertised line.

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GET LATEST INFORMATION—Write for illustrated literature and specification sheets. Petro, 2231 Bloor Street West, Dept. 14, Toronto, Ontario.

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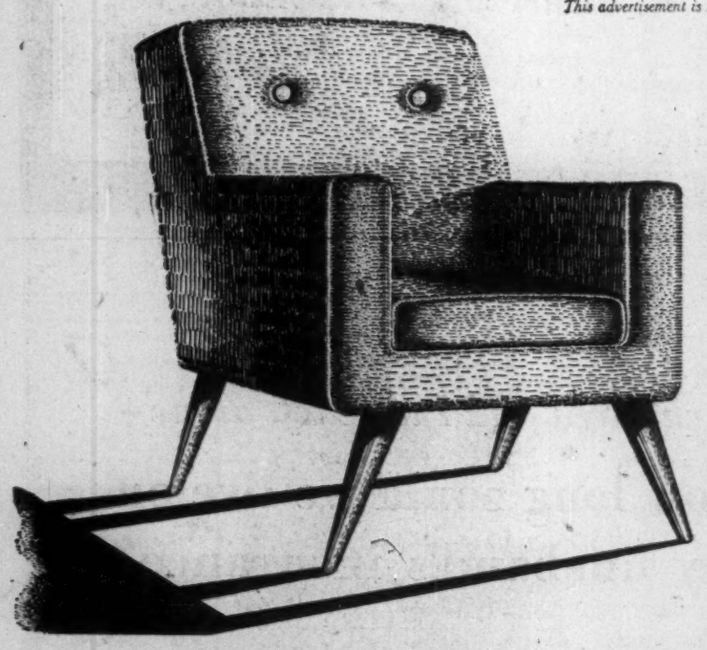
This advertisement is No. 2 in a series.



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The "inside help," of course, was with the springs. Technical advice for wire users has been a Stelco specialty now for a great many years . . . not on Furniture Spring Wire only, but on High Carbon Wire for *all* types of mechanical springs.

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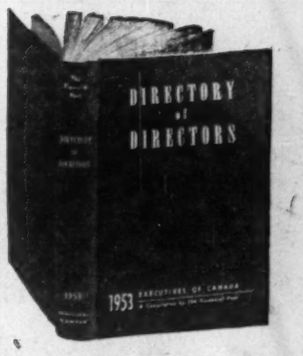

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—Lists chief business connections.

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—Gives business and home addresses.

Directory of Directors has approximately 500 pages handsomely bound in simulated leather and has gold-stamped titles. It's a dependable sales tool: helps you to know better the people you do business with.

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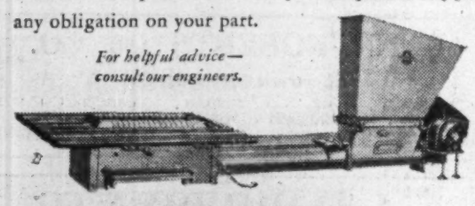
There's no better time to start taking advantage of such savings than right now! The specialized knowledge and experience of Volcano engineering, sales and service departments are at your disposal without any obligation on your part.

For helpful advice— consult our engineers.



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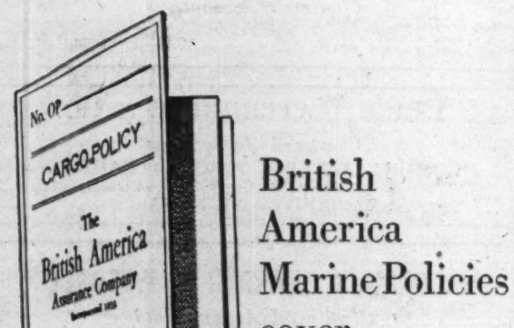

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How To Sell Your New Ideas

Got a New Product? Here's How to Develop It

What's needed to improve marketing research? To determine sales potentials? A close look at the whole question is taken by American Management Association in a survey just published.*

Here is a digest of one section of the book, a detailed study of new product research and development.

When a firm plans to put a new product on the market, who handles the product development? It varies from firm to firm, from industry to industry. But research plays a big part in every case.

In some firms, it's the technical research people. In others, it's the marketing management executives. But no matter who does the job, the launching of a new product usually falls into a pattern of 10 distinct steps:

1. Decision on new product idea.
2. Preliminary evaluation of opportunities represented by it.
3. Detailed market study.
4. Decision to launch it.
5. Development.
6. Customer or consumer acceptance checks.
7. Detailed marketing plans.
8. Market testing, regional or small-scale introduction of the proposed item.
9. Full-scale launching.
10. Follow-through and reappraisal of progress.

Let's examine these steps one-by-one:

THE NEW IDEA. Ideas for new products flow in from many sources, from company personnel, salesmen, customer's complaints about existing products, and often from business and trade publications.

Why launch a new product? Some firms want added volume to spread their fixed costs; to push production closer to capacity; sometimes to provide a broader product base to utilize the sales force more efficiently.

Some firms seek diversification to reduce their vulnerability in a decline; others want to "cut themselves a slice" of fat profit margins; some want to level out pronounced seasonal peaks and valleys in production and sales.

The search for the new product must often be highly selective. The number of new-product avenues open for exploration is limitless, but it may take five or 10 years to develop them.

THE OPPORTUNITIES. Once new-product possibilities have been selected, marketing research is used to appraise each opportunity. Is the volume of the industry which the new product would enter increasing or decreasing? In a declining industry excess capacity often develops, leading in some instances to extremely rough price competition.

Special tabulations of data from official statistics are helpful in crystallizing the volume composition of the industry where there are large numbers of manufacturers.

This step flows naturally into the next one, and serves primarily as an insurance policy. If it uncovers some major reason why the new product is extremely unlikely to achieve its objective, this step may serve to stop activity while the company's investment is still moderate.

MARKET STUDY. The relationship between steps two and three is similar to that of a distance shot and a close-up in photography.

In this detailed market study, the company moves in for a closer look, filling in the details where it was previously concerned largely with broad outlines.

Elements often included in detailed market studies are: appraisals of the strength and weaknesses of competitors, estimates of different channels of distribution, existing price levels and discount structures, characteristics of the consumers of the product. Management must have answers to these to plan an intelligent marketing program for a new product.

A key element is an attempt to determine the profit as well as the volume opportunity for a new product. Estimates of production costs of leading competitive products often play a part. Studies of sales costs are also included.

There are two important applications of data on advertising expenditures: first, the expenditure for advertising on a particular product or brand, against the existing expenditure-rate pattern of an industry, often provides a "fix" on sales volume by items. Second, the level of advertising expenditures is a key element in determining profitability.

The scope of a detailed market study usually covers an outline like this:

—Size of the market for this kind of product nationally.
—Recent trends in market size.
—Division of the market by major product sub-types, and trends in that division.
—Data on how the industry volume is divided by the types of outlets through which it is purchased.
—Detailed characteristics of the market for this product on a geographical section basis.
—Detailed characteristics of the market on a city-size basis.
—Seasonal variations in consumption of this type of product.
—Special market characteristics affecting sales (examples: climatic factors, water-hardness variations, electric-gas rates, etc.).
—Characteristics of purchasers by sex, age, socio-economic status, etc.
—Estimated competitive division of industry volume by major product sub-types.
—Advertising expenditures by brands, with details as to advertising media used.
—Size and price composition of industry, with trade discounts, etc.

DECISION TO LAUNCH. Once the decision to go ahead with the new product is made, the emphasis shifts from "if" to "when."

What production facilities, if any, will have to be acquired? How much will they cost? What advertising, sales promotion, or sales costs will be needed? Can the product be launched on a "pay as you go" basis, or will investment spending be necessary? If some investment will be required, how much, and how soon will the product earn enough profit to repay the investment and become fully self-supporting?

Consideration of timing also enters at this point. What are the seasonal characteristics of the sales or consumption of the product? How much time will it take the company to build stocks to a level high enough to make launching possible? Can that be accomplished in order to take advantage of a seasonal peak and accelerate the introduction? If not, is it preferable to defer the introduction or to risk a contra-seasonal introduction?

NEW-PRODUCT DEVELOPMENT. Sometimes new-product planning begins with the product already developed. In such cases the danger exists that the product may not be one the company should introduce. If the decision to launch a product is made before the development period begins, the risk of wasted developmental time is reduced.

Research and development time can often be shortened by marketing research, providing guidance from the viewpoint of the consumer or customer as to the desired product characteristics.

CHECK ITS WELCOME. What is important is what the consumer or customer likes and looks for, not what you think he ought to look for.

Product research on consumer products is relatively standardized today. These 10 guides to consumer-product testing may be helpful:

—Test your products only among qualified users.
—Test no more than two products at a time.
—Remove all identification from the products tested, except for code letters or numbers.
—Eliminate all variables in the packaging, color, etc., unless those variables represent intrinsic features of the products being tested.
—Remind test participants that a test is in progress.
—Get reactions immediately after use.
—Check early in the test for "bugs" in instructions or procedures.
—Let the test continue on continuing-use products.
—Test your product against the market leader.
—Eliminate all irrelevant variables; be fair.

DETAILED MARKETING PLANS. Once a decision to proceed with the new product has been made, and the product itself is "in sight" a time-table for the remaining steps in the program is often developed.

Among the specific ingredients of a marketing plan are such elements as these:

—Estimate of industry volume in Year 1 (for introduction).
—Estimates of industry volume in years 1+1, 1+2, etc.—(If there are "pipeline stocks" involved, those must be calculated and included.)
—Estimate of market share of industry volume that is the sales objective for subsequent years.
—Reduction of those estimates to specific quantities or product, in units, dozens, cases, or some other measurement.
—Reduction of those specific quantities to further detailed specifics on counts by sizes, varieties, etc.
—Outline of long-range marketing strategy.
—Outline of short-range marketing strategy in specific detail, closely integrated with a time-table.
—Detailed plans for achieving those volume objectives.
—Detailed estimates of costs — production, selling, advertising, and promotion — applied to the estimated volume over the several years covered by the plan.
—Profit-and-loss estimates showing investment required, if any, length of "pay-out period" required to produce a net profit, amount of that profit, etc.

SMALL-SCALE TEST. To min-

*COMPANY PRACTICES IN MARKETING RESEARCH, edited by Richard D. Crisp; published by American Management Assoc., 330 West 42nd St., New York 36; 63 p.; $2.50.

INTER-CITY MEMO:

to the Vice Pres. in charge of expense accounts

If members of your firm visit Montreal regularly on business, why not look into signing a permanent lease for your company on a suite at the Amesbrooke Apartments. You will almost surely save money... and avoid the uncertainty of last-moment hotel reservations. You'll have the comfort and privacy of home, for work, conferences, or entertainment... services if you wish . . plus a rooftop, television-equipped Observation Lounge. The Amesbrooke is a new, 11-storey, fireproof, residential building... only a few minutes from transportation terminals, hotels, and entertainment, business and financial centres. Bachelor, 1-Bedroom and 2-Bedroom suites are available either furnished or unfurnished. Please write to Amesbrooke Realty Corporation, 1650 Dorchester West, Montreal for illustrated brochure, or telephone GLenview 2576.

Trailmobile Plans New Branches

Expansion of sales and service facilities has been undertaken by Trailmobile Canada Ltd., with new branches planned; most recent were factory branches opened in Regina and Winnipeg early this summer and service and parts depot opened in the Toronto suburb of Etobicoke last month.

In opening the Etobicoke plant, Trailmobile president F. W. Davies said: "Despite the tremendous increase in trucking since the Second World War, we believe the development of highway traffic in this country . . . has scarcely begun."

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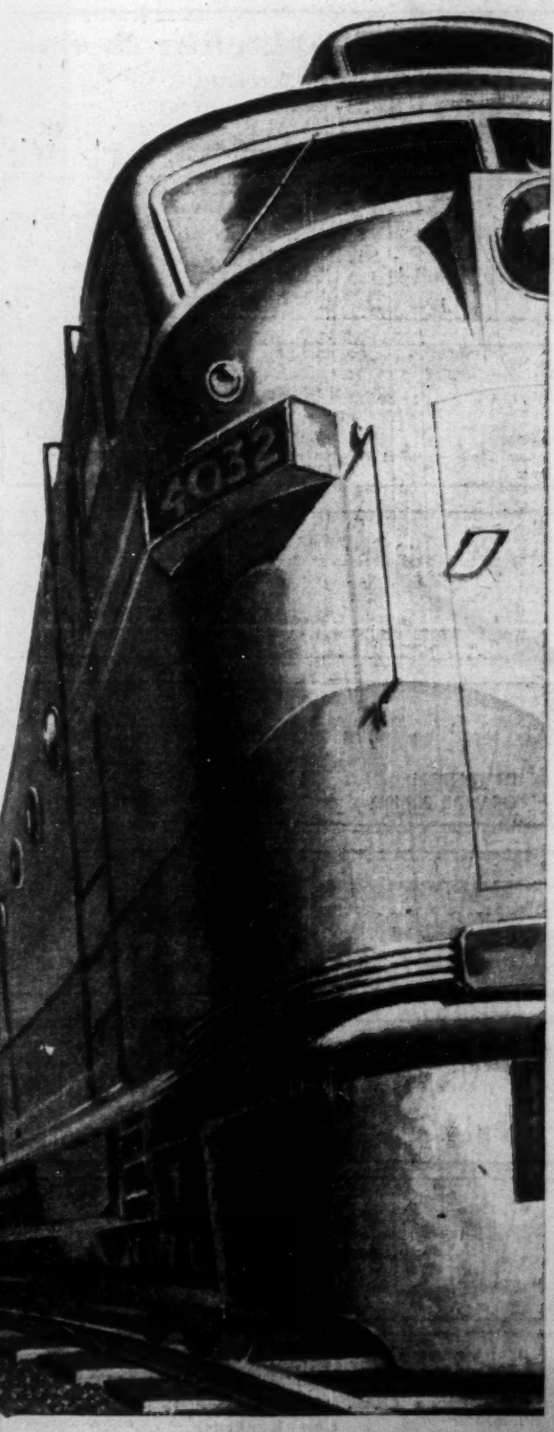

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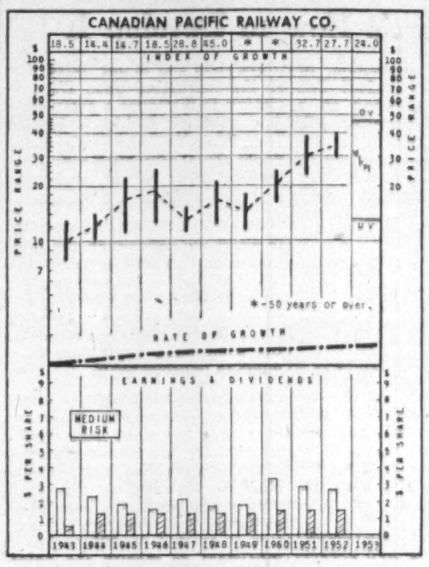
Selected Growth Stocks — Quarterly Review — By NESTOR

The Financial Post's exclusive series of Selected Growth Stocks was chosen by one of the continent's most prominent and successful investment advisers. Basic information on al. 26 companies was given Jan. 10-April 4. The reasons for choice shown below the accompanying charts were those given when stocks were chosen in January, 1953. Each will be reviewed quarterly. Publication of this series in The Post does not constitute a recommendation to buy these stocks.

CPR



Current chart shows CPR common at $23¾-a-share recent market price, selling 83% above its UV level, with 89% rise possible before it would hit OV level. Price range in '53, $32⅞-22¾. Yield at $23¾, 6.32% on basis of $1.50 a share paid out of '52 earnings.

Rail earnings have been disappointing this year, and have fallen below forecasts made in January which predicted $34.5 million climb in revenues, $34.2 million gain in operating expenses. As a result, company announced in August that maintenance program for this year would have to be curtailed.

Seven months' rail net earnings were $13.1 millions, down 2.75% from comparable '52 period. Gross earnings were up 4.56% but were more than offset by 4.95% increase in working expenses.

Rail earnings for full '52 year 7.9% ahead of '51; by this time a year ago were 5.1% higher. Rest of increase came in last five months.

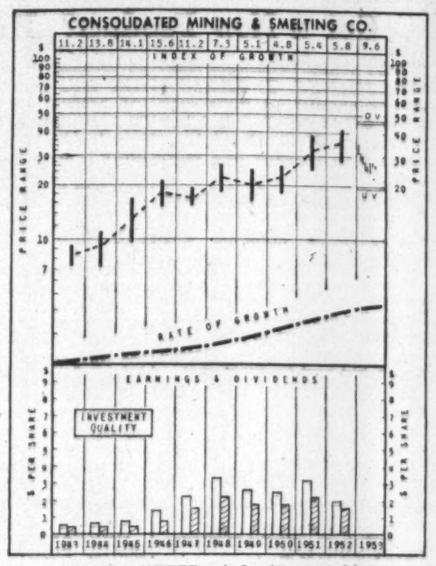
Further hearings on CPR application for freight rate increase, based on proposed 6½% return on rail investment, due to start Oct. 19. Strong opposition from provinces other than Ontario and Quebec expected.

Other income will be reduced by anticipated lower dividend income from Consolidated Smelters (semi-annual dividend paid in July 33% below comparable '52 payment and 20% below January payment).

Ship passenger income should be up, but cargo revenues off. Oil revenues (not taken into income) should be higher.

WHY SELECTED: CPR is an excellent medium for broad participation in the future economic growth of Canada. Aside from wide transportation coverage and allied facilities, company holds a 51% interest in Consolidated Smelters (base metals) and has outstanding potential in 11.3 million acres (over ¾ acres per share) of land in Western Canada on which petroleum rights are held, and from which rents, royalties and reservation fees are beginning to expand.

Cons. M.&S.



Consolidated Mining & Smelting common, at recent $25¼ market price, trading 26% above UV level, leaving room for possible 8% rise before stock would hit OV level. Range this year $34¾-$24⅜. On basis of '52 payments, yield 6.53%, but if one third reduction in first half dividend duplicated in second half, '53 payment would total $1.10 or 4.37% at recent price.

Zinc supplies still plentiful, and price took another dip last week to 10¼c a lb.—lowest level in four years. Lead prices slightly higher than earlier this year at 14c a lb. (New York) compared with 13.7c average in first quarter.

Both lead and zinc well below average '52 prices (16½c and 16.2c, respectively).

Lower prices have cut into earnings, reflected in lower dividend payments.

New extension to Trail zinc plant still operating at capacity. Volume of smelter's custom business down as expected.

Chemical and fertilizer business holding well, with prices somewhat higher. New Kimberley fertilizer plant due to start operating later this month.

Power supply o.k. so far this year (shortage cut into earnings last year). New plant on Pend d'Oreille River due to start operating early in '54 in time to handle any possible threat to power supply.

WHY SELECTED: A leading world producer of lead, zinc, silver, and chemical fertilizers, large high-grade ore reserves and a plentiful supply of cheap hydro-electric power establish Consolidated Mining & Smelting Co. of Canada as one of the lowest cost producers in the industry. An active development exploration and expansion program is under way, suggesting further advances in output.

How To Read The Stock Charts

INDEX OF GROWTH: The rate at which the value of the equity behind the stock is doubling as determined by the growth rate at which it entered the year. A figure of 5.6 for the present year would indicate that at its current growth rate, the equity value is doubling every 5.6 years.

PRICE RANGE: The annual high, low and mean price. Monthly ranges for the current year.

UNDERVALUATION AND OVERVALUATION PRICE LEVELS: Shown by the narrow horizontal lines above and below the stock's price range indicating price at which the particular stock is adjudged as underestimating or overestimating its future rate of growth. A stock showing a fast-growth rate will sometimes anticipate growth by two or three years. In this case, it may not be so attractive a purchase relatively as some other fast-growing stock that is not anticipating its growth beyond the immediate present. Other factors, such as rate of growth and investment quality, will also enter into the comparison an investor will want to make.

Without these UV and OV levels, a current quotation of, say, 55 or 75 would carry no significance regarding long-range value. The UV/OV levels also permit judgment as between one stock and another. They are not designated points of purchase or sale, nor do they attempt to show what will be a stock's bottom or top figure in any given year.

RATE OF GROWTH: The rate, as based on Nestor's tests, at which the company is showing underlying, or long-term, growth. This will determine the price trend of the company's common stock over a period of years and, in most instances, the trend of dividend payments.

Background and principles behind the selections by Nestor were discussed in a special article in The Financial Post, Jan. 10. A limited number of reprints are available on request.

The Big Reward for Backbush Genius

(Continued from page 17)

buildings, a colony of tents and a small general store.

At harvest time, up to 120 Indians descended on the camp. They moved into log cabins or pitched their tents in the clearing. Amid the piping of children and the sharp, keen bite of poplar smoke, the Indians sent Williams' canoes skimming out onto the lake.

By their ancient beating-stick method, the Indians worked through the fields earning up to $60 a day. When they finished, the big rumbling harvester boat rumbled through to gather the bulk of the crop.

The story of Billy Williams spread through the bush country like a swarm of blackflies. His machines had turned an industry topsy-turvy. White men could harvest more rice in one day than an Indian band could in a week.

Travel By Ox

Gus Carlson found a rice lake about 30 miles north of Lac du Bonnet in 1939. He built a harvester with a 46-ft. cutting swath, probably the largest in the world, and set it to cropping the lake.

Carlson built his own plant by the lakeshore. For years he hauled the bags of finished rice to the railhead at Lac du Bonnet on a crude stone-boat, towed down a rough bush trail by his patient ox, Blondie.

The trail was so rough at first that the ox's feet would slip on the precambrian rock, slamming its nose into the ground. "I just held her nose and she pulled like a son-of-a-gun," Carlson reminisced.

Today Gus Carlson is motorized, and he tows his cargos through the bush with a small tractor.

One day in the mid-forties, a senior pilot of Canadian Pacific Airlines was jockeying a Dakota over the Winnipeg River country. He peered a few thousand feet below into the bush and saw a queer boat splashing across a lake.

"It was Billy Williams and his harvester," says Michael G. Holden, Shorty to his pals. "I saw this contraption, so I cut down low. I realized that this guy was harvesting wild rice mechanically."

Shorty Holden had "prospected" most of the north country by air, not for minerals but for good rice lakes. He put out his first machine in 1945. By the fall of 1950, he'd found enough lakes to give up commercial flying for good.

He bought his own plane, and built a few more harvesting machines. At harvest time, he flew two men and a machine to one of his lakes and left them there with supplies and a two-way radio.

When the crop was in, the operators contacted Holden; he flew in to pick up men, machines and rice. So it went from lake to lake. Holden's business boomed. He once paid out $2,000 in wages for a two-week harvest season.

Shorty Holden's methods haven't changed, except that today he has 13 rice lakes under lease, seven machines operating and a 24-ft. new machine under development.

A dozen or more other colorful bushmen carried the Williams-sparked revolution throughout the Manitoba rice belt.

They were men like John ("Trapper") Johnson who added a rice plant to his establishment at Beresford Lake; and Jack Wade who built a flourishing processing plant at Lac du Bonnet and sends out his own harvesters every year.

Price On Way Up?

Prices for wild rice had soared from 18c a lb. in the mid-thirties to as high as $1.82 in 1951. Measured like wheat or the coarse grains, it would cost $150 a bushel. It moved across retail shelves in Winnipeg at $2.53 a lb., and $4.50 a lb. in Chicago.

The prices tumbled somewhat last year because of the Manitoba surplus. But they're expected to soar again this winter.

One morning this month the big friendly man who industrialized wild rice pushed his canoe across Lac du Bois. Billy Williams thrust a leathery hand into the water to examine the slim plants that poked skyward.

The plants were scarce. "Probably not more than 10,000 lbs. out of Manitoba this year," Williams said.

Wild rice grows in thick, glue-like mud under about three feet of water. Early in the summer the plants send up floating leaves, to sop up the sun's energy. This year high water literally smothered the rice everywhere.

"Over the last 30 years we've had a complete failure on the average of every six years. So we learn to take it with a smile," Williams added.

Billy Williams is a philosophical sort of man, and a lazy autumn will be a pleasant change. He'll spend the warm days at his camp with his pleasant young wife and a family of Indians; when the cold nips he'll move to his lodge on Vancouver Island.

At Lac du Bois, he'll sit back of an evening and prop up his feet on the verandah of his cabin and listen to the insects pinging against the screen.

He might tell a visitor about the ancient Indian matriarch he met years ago, a woman who remembered giving wild rice to the hungry troopers of Col. Garnet Wolseley in 1869, as they passed on their historic journey from Thunder Bay to Fort Garry to quell the first Riel Rebellion.

Or Mrs. Williams might recall the time Billy charged a testy bear and drove it off with a tuft of flaming grass; how he was once a fine hunter in the Indian tradition, killing only to fill a need.

The man whose ingenuity founded an industry will tilt back in his chair and inhale the multi-scented breath of the forest.

"I look for the easy way of doing things," he'll say. "But there's real satisfaction in getting an idea and putting it to work. The idea of money doesn't mean much. I guess I just like to produce."

Labor Sessions Next Week To Consider Unity, Finances

Two important labor organizations hold their annual conventions in Quebec next week—the Canadian Congress of Labor in Montreal and the Canadian and Catholic Confederation of Labor in Quebec City.

The CCL is expected to turn most of its attention to consideration of the guaranteed annual wage and unity with the rival Trades and Labor Congress. Biggest issue at the CCCL meet will be finances, with the confederation still reeling from the heavy financial losses in recent strikes.

Observers are waiting to see what the CCL answer will be to resolutions passed by the TLC last month favoring unity. A year ago, the TLC rejected such a resolution but the CCL went ahead favoring it at its convention last year. Now the TLC is in favor, the CCL may take positive steps to bring the matter to a head.

Most likely action would be a proposal to take joint action with the TLC in a campaign for a national health plan. Such a plan was favored by the TLC and the CCL may well see it as a first step toward eventual unity. It would serve as a concrete issue on which the two big groups could work together immediately and would show the doubtfuls that the two could get along together.

Could Have Truce

Another step the CCL might take as a move toward unity—a "no raiding pact" similar to that signed by the two parent bodies in the U. S. This would be, in effect, an armistice and would provide a term of peace which officials could use to carry on further unity talks.

Unlike last year's CCL meet, there seems little possibility of a struggle for executive positions. There may be some pressure for President A. R. Mosher's resignation on the grounds that he no longer heads a union but it is expected that he will be returned to office if he chooses to run. And there is no indication that he wants to step down yet.

There may also be some attention focused on the drive by the TLC to move in on the civil service field. This might well have been seriously considered if it weren't for the "unity" feeling in the air. Now it seems, for the time being at least, the CCL is willing to let the TLC succeed, if it can, in the federal field while the CCL stays on the civic-employee level.

CCCL Finances

The CCCL, on the other hand, will be concerned chiefly with finances with the executive proposing a complete revamping of the fees structure in an effort to build up a reserve fund.

A scheme, designed to put $500,000 in a specially created "professional defense fund," was conceived at last year's convention but didn't succeed. Locals looked to the fund for help, forgetting to save for strikes themselves, and soon wiped it out.

The executive will try to sell the new plan to the delegates on the grounds that many recent strikes need not have been lost if there had been more money available to finance them.

The CCCL has never levied high dues and has traditionally been in financial troubles. With recent costly strikes—at Louiseville, Canadian Vickers and the Asbestos strike—the position now is worse than usual.

Packard Tries New Rear Window Idea

Back-seat drivers—and the man at the wheel—get a break out of a new rear-window design being tried out on experimental Packard cars.

New treatment of the roof and rear end means the rear window slopes in toward the front of the car—the reverse of the current orthodox window.

The advantages:

—Sunlight is kept off the necks of passengers in the rear seat.

—The rear window is covered by a canopy designed to keep it relatively clear of snow and rain and to increase rear visibility.

—The ledge above the back seat is eliminated, and so is the vision hazard caused by parcels piled there.

—The flat window may be lowered like others to increase air circulation within the car.

The experimental models are to be shown throughout the U. S. Adoption of the new features will depend on public reaction.

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WATCH YOUR STEP!

Why, How You Should Make A Will

14 Rules For Making Sure Your Heirs Benefit As You Wish

By DONALD G. MACLEAN

The law is cold, unemotional and unwavering. Don't let it distribute your hard-earned estate for you. Make a will before it's too late, but Watch Your Step when you do.

Here are Post writer Don MacLean's 14 rules for making a good valid will that will carry out your wishes, all summarized in the eighth of a series of articles on the modern Canadian's financial problems.

You can't leave your money an orphan when you die.

And you can't take it with you.

Money and property can never be without an owner under law. When you die what's going to happen to your estate? If you don't leave behind valid legal instructions, there are laws to govern the distribution of the fruits of your lifetime.

Few people enjoy making a will, but without one the persons you love the most may suffer if the law disposes of your estate. Here are 14 basic tips about wills:

1. Make a will! The laws of intestate succession may have effects quite different from your intentions.

The law of intestate succession (i.e. where there is no will) varies from province to province. As a general rule, the estate is distributed to surviving relatives according to their degree of relationship.

In Ontario, for example, if a man dies without a will, leaving a widow but no children, she is entitled to all the estate up to $5,000 and two thirds of the residue if any. The balance goes to his relatives.

If a man leaves a widow and one child, the distribution is altered. The widow still receives all the estate up to $5,000 but only half the residue. The balance goes to the child. If there are two children or more they would receive two thirds of the residue in equal shares.

If a wife dies intestate leaving no children, her husband receives half the estate and the other half is distributed among the wife's next-of-kin. If she leaves children, the husband gets one third of the estate; the children get two thirds.

These "intestate succession" regulations protect widows and their children from being left unprotected through a husband's thoughtlessness, but only a will can ensure distribution of your estate in exactly the way you want it done.

Here's a possible case where there's no will:

A young man with two small children lost his wife. He later married and his second wife became very fond of the children. She conscientiously considered their interests as if they were her own children.

The man took out $50,000 life insurance payable to the wife. He had other assets worth a few thousand dollars.

In a motor accident the husband was killed outright—and the wife died 20 minutes later. Under the Ontario law the wife inherited $5,000 of his general estate outright plus one third of the residue.

The other two thirds of his general estate went to the children.

The wife inherited the $50,000 life insurance

But when she died, without a will too, the life insurance money and her share of the husband's general estate, went to her next of kin. As the children were not blood relations of hers they received nothing from this insurance, although people who knew the step mother and her affection for the children were sure she would have wanted the children to receive their father's assets and the insurance.

The wife's relatives, however, held to their legal rights.

Had the husband made a will and arranged his insurance differently, the children would have received what was rightfully theirs.

2. Don't delay making your will. Death or insanity may come when least expected.

3. Don't neglect to protect the interest of the most important beneficiaries. Residue clauses are sometimes dangerous.

Suppose you have an estate valued at $100,000 and make specific bequests to five nephews of $10,000 each, your wife to get the residue (presumably $50,000).

If the stock market drops suddenly your whole estate may be worth only $50,000, in which case your wife would get nothing while the nephews would get their full bequests.

To avoid this, wills sometimes divide the estate into parts, giving your widow, say, four fifths, the remainder to be divided among other beneficiaries. A still better plan is to make the payment of the other legacies contingent on the widow first getting her full $50,000.

4. Your will shouldn't interfere too much with your executor's powers to delay sale of the assets.

Forced sale may cause heavy loss during a bad market. Give the executors authority to use their own judgment. This doesn't relieve them of responsibility of negligence.

5. Don't forget to give the executors authority to invest funds of the estate, if you don't want your estate confined to trustee investments only.

This is most desirable when, for example, you leave your wife a life income. You can authorize your executors (a) to invest in trustee investments or (b) in securities authorized for life insurance companies or (c) you can give them wide-open authority to act as they see fit.

"I Should Have Put It In a Safe Place."

6. If you want the income from your estate to go to your wife and, at her death, the capital to go to your children do this: specify that the capital be held by trustees, who will pay the required yearly income to your wife during her lifetime and then divide the capital among the children.

This way, since the estate actually passes under only one will, succession duties are only levied once on the assets. But if the estate is left first to the wife in the husband's will and then to the children in the wife's will, the duties would be levied twice.

7. Make an inventory of your whole estate. It will help your executors greatly to know just what and where your assets are.

The inventory should show all assets in detail, stocks, bonds, mortgages, real estate and deposits in the bank, specifically indicating the bank branch where the deposits or safety deposit boxes are.

8. Keep your securities in a safe place.

Bond or stock certificates are easily mislaid, stolen or burned. If they are not readily available, the administration of the estate may suffer costly delay.

9. Keep your will in a safe place.

If it's burned, lost or stolen there'll be trouble. The law presumes that you died intestate (without a will), unless somebody disproves it.

10. Make sure some responsible person, your lawyer or executor, knows where your will is. Your will won't do anyone any good if it can't be found after your death.

11. Review your will regularly.

The status of your beneficiaries may change; your daughters marry, small children grow up, or the taxation situation changes. Moreover, your own estate may increase or shrink. The will should be adjusted accordingly.

12. Make sure you have sufficient liquid assets, including cash, in your estate to pay immediate charges, funeral and doctor's expenses and succession duties.

Succession duties have to be paid within a certain time. A proportion of cash or gilt-edged securities which can be sold anytime should be in everyone's estate.

13. Keep some of your life insurance policies at home, as long as they're safe from fire and theft.

At your death your safety deposit box will be sealed until the assets are released by the succession duty officers.

Life insurance companies can pay up to $1,500 under Federal law, and varying amounts under provincial laws, without a release. That money is part of your estate and subject to duty, but its prompt payment may prevent hardship for your beneficiaries.

If the policies are locked away in a safety deposit box, the executors might not find them for some time.

14. If you've made more than one will and revoke earlier ones by declaration, destroy those revoked completely

It's easy to Watch Your Step when you're alive and sane. Use common sense and careful planning. If you die intestate, the law is cold, unemotional and unwavering.

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INCOME TAX

Medical Expenses

I was told the other day that a Canadian taxpayer is now allowed to deduct medical expenses over 3% of his income when calculating his income tax. I thought it was the excess over 4% that could be deducted. Can you enlighten me?

The last amendments to the income tax act said that all medical expenses over 3% of the income can be deducted when computing 1953 tax. It was formerly 4%.

INVESTMENTS

Abitibi

What is the situation regarding Abitibi dividends from Alaska Pine & Cellulose? Is Abitibi still buying in its $1.50 prefefred shares on the open market?

Abitibi Power & Paper Co. received $1,174,851 in dividends from Alaska Pine & Cellulose Ltd. in 1951, but no dividends were received from this source in 1952 when Alaska Pine's net profit dropped to $1,110,052 from the $5,384,732 earned in 1951.

No dividends were received from Alaska Pine in the first half of 1953, and the company has not made any statement as to what the prospects are. However, the demand for dissolving pulp has improved this year with the improvement in the level of operations in the U. S. rayon industry, a large user of this type of pulp. Also the company is understood to have just about completed a capital expenditure program it had under way. In view of these factors it would appear that resumption of dividends might be possible.

Capital projects under construction at the end of 1952 would require an estimated expenditure of $2.3 millions to complete, company stated earlier this year.

With regard to the purchase of $1.50 Abitibi preferred shares in the open market by the company, the directors authorized such purchases in 1949. A total of 344,856 shares were retired in this way in 1949 and 1950, but none have been purchased since that time. There are still 1,050,416 preferred shares outstanding.

It should be pointed out that Abitibi's funded debt at the end of 1950 totaled $34 millions and now totals $38 millions—only $4 millions higher than two years ago despite the sale of $10 millions of convertible debentures in 1951 in connection with the company's investment in Alaska Pine. As well, $1 million of preferred stock of Provincial Paper, its subsidiary, was retired in 1951. It is thought probable that the company may continue to further reduce its funded debt before resuming purchase of the preferred shares.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$19.75	$19.79	$25.41
Hogs	36.35	34.60	25.60
Copper, lb.	.29	.29	.24½
Sugar, raw, lb.	.0582	.0592	.0595
Coffee, lb.	.61¼	.60¾	.54⅞
Hides	.18½	.18½	.18
Weekly Indices			
U. S. Labor	110.7	110.8	112.0
Dow Jones	156.12	157.76	174.29
Monthly Indices			
Retail (Aug.)†	115.7	115.4	116.0
W'sale (June)	221.7	220.1	226.5
U. S. (May)*	109.8	109.4	111.6
Gt Brit. (May)	329.1	331.0r	328.1

Note: †Cost-of-Living Index revised to the Base of 1949=100.

*New series based on 1947-49=100.

Base of price of quotations is as follows: Cattle—Steers, good up to 1,000 lb. top price Toronto Copper-electrotype, New York, Coffee No. 4 Santos. Spot Raw Sugar 96 degrees centrifugal c.i.f. rRevised.

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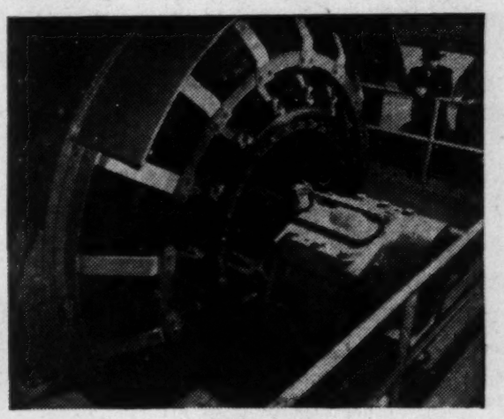

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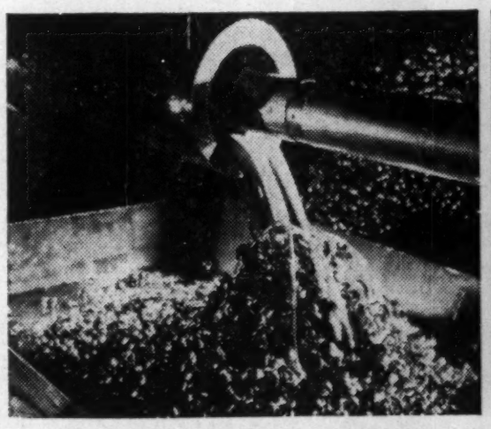

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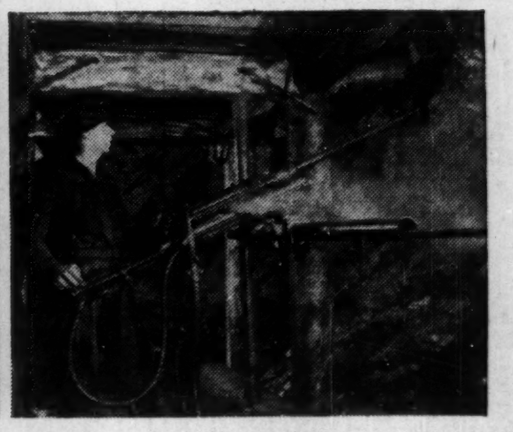

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BT-318

THE WEEK'S QUOTATIONS

Quotations here listed are the official exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto Winnipeg, Calgary and Vancouver

Range 1953 High	Low	Div. Rate $	Yld %	Company	Sales	Last Sale Aug. 28	Week end. Sept. 4, 1953 H	L	Close
15¼	12¼	1.00	6.8	Abitibi	10,622	14¾	15	14¾	14¾
24	23	1.50	5.7	Do. $1.50 pref	1,524	26¼	26¼	26	26½
7¼	6¼	.50	8.9	Acadia Atlan.	195	7	7¼	7	7¼
102	96½	5.00	4.9	Do. 5% pref.	10	102	101¼	101¼	101¼
18½	16¼	1.20	6.7	Do. A pref.	350	17¾	18	17½	18
3.85	3.00	-	-	Alta. Con. Gas	170	3.30	3.40	3.35	3.35
2.20	1.50	-	-	Albt. Dist.	1,200	1.56	1.60	1.50	1.50
49¼	33½	-	-	Algoma Steel	1,247	35¼	34¾	34	34½
24½	21¼	1.00	4.4	Alum of Can p	385	23	23¼	23	23
105½	100	5.25	5.1	Do. 5¼ pref.	1,495	103½	104	103	103
53½	41¼	▲2.00	-	Aluminium	3,547	45½	46¾	44¾	45¼
10	8	▲.40	-	Andian Nat.	175	8	8	8	8
25	21	2.00	8.1	Ang. Cdn. Pulp	25	22	24½	24½	24½
42	37	2.25	5.6	Ang Can Tel p	613	40	42	40½	40½
9½	7	.60	7.3	Ang. Nfld.	2,500	8¼	8½	8¼	8¼
12¼	11¼	.60	4.9	Argus	585	12	12¼	11¾	12¼
85	73¼	4.50	5.6	Do. 4¼% pref	75	81	81	80	80
27½	23½	1.00	3.7	Asbestos	4,440	26½	27	25½	27
19	16	1.00	6.0	Ashdown Hd B	205	17	17	16½	16½
23½	14½	1.00	6.6	Atlas Steels	2,290	15	15¼	14½	15¼
9½	7½	.50	6.2	Auto Elec. A	199	8½	8½	8¼	8¼
6.50	4.00	↑.15•	-	Auto Fabric A	100	4½	4.25	4.25	4.25
25½	23	↑.75	-	Bk. Can. Nat.	275	25¼	25¼	25¼	25¼
38½	31	1.20	3.5	Bank Montreal	1,080	35	35¼	34½	34½
42	33½	1.60	4.2	Bk. N. Scotia	596	41	41	40	41
43	38½	1.40	3.6	Bk. Toronto	125	41	41	41	41
45	35½	3.00	7.7	Bathurst Pr. A	210	39½	40	39	39
22½	18	↑.75	-	Do. B	150	15	17	16½	16½
8	6	.40	5.0	Beatty Bros.	240	7½	7	7	7
60	49½	2.50	-	Beaver Lumber	10	52	50	50	50
19	18	1.00	5.3	Do. A	100	19	19	19	19
14	12	.60	4.9	Belding Cort.	63	12½	12	12	12
14	12½	.70	5.4	Do. pref.	55	13	13	13	13
40	37½	2.00	5.2	Bell Telephone	21,436	37½	38¼	37½	38¼
7¼	5	.40	6.9	Biltmore Hats	50	5¼	5¼	5¼	5¼
16	12½	1.00	7.4	Do. (A)	5	13¼	13¼	13¼	13¼
45½	41½	2.50	5.8	Blue Ribbon p	100	42	43¼	43¼	43¼
10¼	7	.40	4.0	Brant Roof .B.	20	9	10¼	10¼	10¼
91	91	1.00	4.8	Brazilian Tr.	17,201	10¼	10¼	10	10¼
21¼	17¼	.70	3.9	Brit. Amer. Oil	7,909	18¼	18¼	17¾	17¾
81	76	4.00	5.0	B.C. Elec 4% p	5	80½	80¼	80¼	80¼
95½	87	4.75	5.1	Do. 4½% pref.	112	94	94	93½	93½
50½	46½	2.50	5.0	Do. 5% pref.	530	49½	50¼	49½	50¼
5.87½	4.55	.40	8.0	B.C. Forest	4,170	5.25	5.25	4.90	5.00
15½	10	.75	6.3	B.C. Packers A	250	11¼	12¼	12	12
8	7	-	-	Do. B	10	8¼	8	8	8
36½	33	1.60	4.7	B.C. Power A	1,100	35½	35	34	34½
8¼	6¼	-	-	Do. (B)	2,611	8¼	8¼	8¼	8¼
37½	32½	2.00	5.6	B.C. Tele.	558	36	36	35¼	36
12¼	8	-	-	Brown Co.	2,595	8¼	8¼	8¼	8¼
90	85	▲5.00	-	Do. 1st pref.	25	88	89	88	89
49½	45½	▲3.00	-	Do. 2nd pref.	115	48	49	48	49
19	12½	•	-	Bruck Mills A.	280	14	14½	13½	13½
41	40	•	-	Do. (B)	655	6	6	5	6
40¼	34	1.80	4.8	Building Prod.	525	38½	38¼	37¼	37¼
22	19½	1.00	+.50	Burlington St.	150	19½	20	20	20
51	39¼	3.00	5.9	Burns & Co. A	35	51	51¼	51	51
38	29½	2.00	5.4	Do. (B)	210	37	37	36	37
8¼	7	.45	6.1	Burrard D.D. A	150	7¾	7¾	7¾	7¾
3.50	2.90	.10	3.0	Canada Bread	3,000	3.50	3.25	3.25	3.25
87	72	▲2.00	-	Canada Cement	571	77	77	75	77
29½	26½	1.30	4.6	Can. pref.	3,741	28½	28¼	28	28
18¼	15½	1.00	5.9	C. & D. Sugar	1,400	17	17	16¾	16¾
35	33	1.50	+1.50	Can. Forg. A	15	33	33¼	33¼	33¼
23	19½	1.20	6.1	Can. Iron	680	20	20	19¼	19¾
9	7	.50	+.10	Can. Machine	185	8¼	8¼	8¼	8¼
54	50	2.50	+.50	Can. Malting	150	53½	53¾	53	53
12¼	10	.60	5.0	Can. Nor. Pr.	50	11	12	12	12
39	33½	1.50	4.0	Can. Pickers A	675	37¼	37½	36¾	37¼
33¼	28½	1.50	4.7	Do. B	230	32¼	32¼	32	32¼
57	49	2.40	4.2	Can. Perman.	292	56¾	57	56¾	57
102½	98½	5.00	4.9	C. Safeway 1 p	20	102½	102½	102½	102½
53	36	↑1.00	-	Can. Starch	25	53	53	53	53
82	70	1.00	1.2	Can. Steamsh's	450	76	81	77	81
51	45	2.50	5.1	Do. pref.	1,182	49	49½	49	49
32	28	1.20	3.8	Can. Bk. Com.	935	32	32	31¼	31½
21	17	1.25	6.2	Can. Breweries	4,562	20	20½	19¾	20¼
40	34½	1.25	3.6	Can. Bronze	3	35	35	35	35
33½	23½	2.00	7.1	Can. Canners	875	27¼	28¼	27	28
19¼	14¼	.40	2.5	Can. Car & Fy	1,271	15¾	16	15¾	16
20¼	17	1.00	5.9	Do. pref. A	1,445	18¼	18½	17	17
46	25	2.40	8.6	Can. Celanese	2,750	29¼	29½	28	28
34¼	32½	1.75	5.1	Do. pref.	410	34	34¼	33¼	34
21	18¼	1.00	5.0	Do. $1 pref.	175	20	20	20	20
14	9	-	-	Can. Chem.	2,515	9½	9¼	8¾	9
4.10	3.00	↑.07½	-	Can. Colliers.	100	3.15	3.00	3.00	3.00
48	30	•	-	Can. Cottons	30	34	30	30	30
25½	22	1.20	5.3	Do. pref.	10	22	22½	22½	22½
54½	45	1.70	3.4	Can. Dredge	250	48¼	49¼	48	49¼
4	2	•	-	Can. Food Prod	475	3	3	3	3
62	50½	4.50	6.8	Do. pref.	15	53	51	51	51
25½	22	1.10	+.15	Can. G. Inv.	178	23	23	23	23
10¼	9½	.80	8.0	Cn. Ice Mach A	25	10	10	10	10
42	33½	1.00	-	Can. Indust.	1,572	35	36¼	34½	36¼
95	83	▲4.75	-	Can. Ingersoll R	45	85½	85½	85½	85½
10½	2½	-	-	Can. Javelin	23,380	8¼	10	7¼	9½
2	1¾	.65	-	Can. Int. Tr.	100	10¼	10¼	10¼	10¼
23	16	•	-	Can. Locomo.	150	17	17½	17	17½
51	3	↑.05	-	Can. Marconi	2,319	3.95	3.75	2.25	3.70
15½	13	.50	3.8	Can. Oil	1,675	13¼	14	13	14
101	97	5.00	5.0	Do. 3% pref.	200	100	101	100	100
2.20	2.10	-	-	Do. Warr.	300	-	2.20	2.10	2.10
2.30	2.25	↑1.50	-	Can. Pacific	8,675	23¼	23¼	22¾	23¼
3.15	.95	↑.04	-	Can. Propane.	1,500	1.00	1.00	1.00	1.00
81	61	▲2.00	-	Can. Salt	5	6¼	7	7	7
45	27	.60	+.10	Can. Tire	70	40	45	43	43
20	19½	1.00	5.1	Do. pref. A	45	19½	20	19½	19½
100	95	5.00	5.0	C. Utilities pf.	5	99½	99½	99½	99½
19	15	1.00	6.6	Can. Vickers	850	16	16	15	15¼
10¼	8¼	.50	5.3	C. W. Lumber	1,305	9¼	9¼	9¼	9¼
72	55	2.00	3.2	C. Westingh'se	35	62	62	60	62
17	13½	1.25	8.3	Canvar, Ind. L.	50	16¼	15	15	15
7¾	5	-	-	Canso Nat. Gas	275	8¼	8¼	8	8
6¼	5	.30	9.1	Do. pref.	100	5¼	5¼	5¼	5¼
11¼	10	↑1.00	-	Ch. Gal Wines	50	11¼	10¼	10¼	10¼
1.95	1.10	↑.05	-	Chem. Research	8,300	1.25	1.25	1.10	1.24
4.10	3.70	-	-	Claude Neon A	44	3.90	3.90	3.75	3.90
4.05	3.40	-	-	Do. B	130	3.95	4.00	4.00	4.00
42	30	-	-	Do. pref.	331	41	40	39½	39½
3.95	3.15	▲4.03	-	Coast Brew	30	3.50	3.50	3.50	3.50
16½	11¾	1.00	8.7	Cockshutt F'm	2,385	12	12¼	11¾	11¾
15	13	.80	5.9	B. J. Coghlin	25	13¾	13¾	13¾	13¾
5¾	5	-	-	Com. Alcohol p	200	5¾	5¼	5¼	5¼
50	50	1.50	2.7	Conf. Life	155	55	56	56	56
9½	7	▲.50	-	Cons. Bakeries	25	7½	7¼	7¼	7¼
1.15	90	-	-	Cons. Div Sc A	240	90	95	90	90
27	24½	1.50	6.1	Do. pref.	32	25	25	24½	24½
39½	34½	1.50	+1.75	Cons. Paper	6,732	38½	38¼	37¾	38¼
8¼	5½	↑.32½	-	Cons. Press A	365	8	7¾	7¼	7¾
31	2	-	-	Do. (B)	150	3	3	3	3
34½	28½	1.80	+.55	Cons. Smelters	8,681	25¾	25¼	25	25¼
15¼	10	▲.80	-	Cons. Textiles	100	12	10	10	10
20	19¼	1.00	5.1	Do. pref.	10	20	19½	19½	19½
16¾	14	.80	5.0	Consumers Gas	2,050	15¼	16	15¼	15¾
25	21¼	1.50	6.1	Consum. Glass	130	25	25	24¼	24¼
10¼	8	↑.70	-	Corbys A	887	9	9¼	9	9
10¼	8	↑.70	-	Do. (B)	110	9¼	9¼	9	9
9	7¼	.50	5.9	Corr. P. Box	225	8¼	9	8¾	8¾
13¼	10	.70	6.1	Cosmos Imp.	200	12	11¼	11¼	11¼
37½	34½	2.00	5.4	Crown Cork	25	37½	37	37	37
30	27	▲1.80	-	Crown Zellers	3,639	28¼	29	27¾	28¼
16¼	12¼	1.50	10.0	Davis Leath. A	540	15	15	14¾	14¾
5¼	2	•	-	Do. (B)	25	5.50	5.50	5.50	5.50
10	9	▲1.00	+.25	Disher-Steel	100	10	9	9	9
28	24½	1.20	+1.50	Distill-Seag.	8,502	27	27	26	26½
31¼	27½	1.20	4.0	Dom. Bank	165	30¼	31	30¼	30¼
8½	7½	1.60	+11.50	Dom. Bridge	531	7¾	7¾	7¾	7¾
13	8	•	-	Dom. Coal, pf.	285	8	9	8	8
5¼	4	•	-	Dom. Dairies	2	5	4	4	4
26½	20	.60	+.40	Dom. Engineer.	575	20½	20½	20	20
15¼	12¾	.60	4.3	Dom. Fdry.	3,670	14¼	14¼	13¾	14
100	96½	4.50	4.5	Do. 4½% pref.	20	99	99½	99½	99½
16	11½	-	-	Dom. Magnes.	415	11¾	11¾	11¼	11¼
35½	28	1.60	+1.20	Dom. Oilcloth	15	29	28	28	28
12¼	9	.50	5.5	Dom. Scot. Inv.	250	11¼	11¼	11¼	11¼
.70	65	4.00	6.0	Dom. Square	25	65	67	67	67
16½	10	1.00	9.8	Dom. St. & C.	5,280	11	11	10	10¼
17¼	14½	↑.45	-	Dom. Stores	980	16	16½	15½	16
9	7½	.40	5.1	Dom. Tar & Ch.	2,445	8	8	7¾	7¾
20½	19¼	1.00	4.9	Do. pref.	275	20½	20½	20½	20½
8	7½	1.60	-	Dom. Textile	3,525	9¼	9¼	8¼	8½
141¼	140	7.00	5.0	Do. pref.	2	141¼	140	140	140
5	2	•	-	Dom. Woollens	285	3¼	3	3	3
15	12½	1.20	8.0	Donohue Bros.	200	15	15	14½	15
18	15	•	-	Dow Brew	1,745	17	17	16½	17
55	31	1.60	+1.40	Dryden Paper	220	53	54	53¾	54
7	4	-	-	East Koot Pr.	100	5	4	4	4
81	5	-	-	East Steel	1,750	5¼	5¼	5	5¼
62	42	2.20	+1.30	Easy Washing	100	6	5¼	5¼	5¼
23½	20½	1.00	4.8	Eddy Papers	517	22	23	21½	22
10	10	▲1.00	-	Electrolux	985	10¼	10	10	10
21¼	18½	1.40	+1.35	Fam. Players	1,820	21	21¼	20¼	21¼
25	19½	▲1.50	-	Fanny Farmer	595	21	21	20¼	20¼
17	14	-	-	Federal Grain	975	16¼	17	16	17
25	24	1.40	5.3	Do. pref.	1,835	26	26½	25½	26¼
12	10	.60	3.8	Fittings A	60	10	10¼	10¼	10¼
3.25	2.75	-	-	Fleet Mfg.	2,700	1.00	1.00	.90	.90
68	58½	2.00	+11.00	Ford Motor A	2,655	63¼	64	60¾	64
33	23	-	-	For. Pr. Secs.	25	27	27	27	27
14¾	11	.60	4.8	Foundation Co.	1,615	13¾	13	12	12¾
18	13¼	1.00	7.0	Fraser Cos.	1,450	14¼	14¼	14¼	14¼
22¼	20¼	1.20	5.7	Gatineau Pwr.	1,620	22	21¾	20	21
107	100	5.00	4.8	Do. pref. 5%	20	106	105¼	104¾	104¾
110	104½	5.50	5.0	Do. 5½%	10	109	110	110	110
6.00	4.90	.20	3.7	Gen. Bakeries	650	5¾	5¾	5¾	5¾
45¼	31	↑4.25	-	Gen. Dynamics	1,910	32¾	35¼	31¾	32½
68¼	54½	▲4.00	-	Gen. Motors	807	56¾	58¼	54½	55¾
48	41	fstk	-	Gen Products A	100	46¾	46¾	46¾	46¾
15½	11½	1.00	6.3	Gen. St. Wares.	650	16¼	16¼	16	16
100	85	4.00	4.2	Goodyear Tires	10	95	95	95	95
49	46	2.00	4.2	Do. pref.	236	48	48	47¾	48
81	71	.50	6.5	Gor MacKay A	50	7¾	7¾	7¾	7¾
2.15	.95	↑.04	-	Can. Propane.	1,500	1.00	1.00	1.00	1.00
61	61	▲2.00	-	Can. Salt	5	6¼	7	7	7
45	27	.60	+.10	Can. Tire	70	40	45	43	43
20	19¼	1.00	5.1	Do. pref. A	45	19¾	20	19¾	19¾
100	95	5.00	5.0	C. Utilities pf.	5	99½	99½	99½	99½
19	15	1.00	6.6	Can. Vickers	850	16	16	15	15¼
10¼	8¼	.50	5.3	C. W. Lumber	1,305	9¼	9¼	9¼	9¼
72	55	2.00	3.2	C. Westingh'se	35	62	62	60	62
17	13¼	1.25	8.3	Canvar, Ind. L.	50	16¼	15	15	15
7¾	5	-	-	Canso Nat. Gas	275	8¼	8¼	8	8
6¼	5	.30	9.1	Do. pref.	100	5¼	5¼	5¼	5¼
11¼	10	↑1.00	-	Ch. Gal Wines	50	11¼	10¼	10¼	10¼
1.95	1.10	↑.05	-	Chem. Research	8,300	1.25	1.25	1.10	1.24
4.10	3.70	-	-	Claude Neon A	44	3.90	3.90	3.75	3.90
4.05	3.40	-	-	Do. B	130	3.95	4.00	4.00	4.00
42	30	-	-	Do. pref.	331	41	40	39½	39½
3.95	3.15	▲4.03	-	Coast Brew	30	3.50	3.50	3.50	3.50
16½	11¾	1.00	8.7	Cockshutt F'm	2,385	12	12¼	11¾	11¾
15	13	.80	5.9	B. J. Coghlin	25	13¾	13¾	13¾	13¾
5¾	5	-	-	Com. Alcohol p	200	5¾	5¼	5¼	5¼
50	50	1.50	2.7	Conf. Life	155	55	56	56	56
9½	7	▲.50	-	Cons. Bakeries	25	7½	7¼	7¼	7¼
1.15	90	-	-	Cons. Div Sc A	240	90	95	90	90
27	24½	1.50	6.1	Do. pref.	32	25	25	24½	24½
39¼	34½	1.50	+1.75	Cons. Paper	6,732	38½	38¼	37¾	38¼
8¼	5½	↑.32½	-	Cons. Press A	365	8	7¾	7¼	7¾
31	2	-	-	Do. (B)	150	3	3	3	3
34½	28½	1.80	+.55	Cons. Smelters	8,681	25¾	25¼	25	25¼
15¼	10	▲.80	-	Cons. Textiles	100	12	10	10	10
20	19¼	1.00	5.1	Do. pref.	10	20	19½	19½	19½
16¾	14	.80	5.0	Consumers Gas	2,050	15¼	16	15¼	15¾
25	21¼	1.50	6.1	Consum. Glass	130	25	25	24¼	24¼
10¼	8	↑.70	-	Corbys A	887	9	9¼	9	9
10¼	8	↑.70	-	Do. (B)	110	9¼	9¼	9	9
9	7¼	.50	5.9	Corr. P. Box	225	8¼	9	8¾	8¾
13¼	10	.70	6.1	Cosmos Imp.	200	12	11¼	11¼	11¼
37½	34½	2.00	5.4	Crown Cork	25	37½	37	37	37
30	27	▲1.80	-	Crown Zellers	3,639	28¼	29	27¾	28¼
16¼	12¼	1.50	10.0	Davis Leath. A	540	15	15	14¾	14¾
5¼	2	•	-	Do. (B)	25	5.50	5.50	5.50	5.50
10	9	▲1.00	+.25	Disher-Steel	100	10	9	9	9
28	24½	1.20	+1.50	Distill-Seag.	8,502	27	27	26	26½
31¼	27½	1.20	4.0	Dom. Bank	165	30¼	31	30¼	30¼
8½	7½	1.60	+11.50	Dom. Bridge	531	7¾	7¾	7¾	7¾
13	8	•	-	Dom. Coal, pf.	285	8	9	8	8
5¼	4	•	-	Dom. Dairies	2	5	4	4	4
26½	20	.60	+.40	Dom. Engineer.	575	20½	20½	20	20
15¼	12¾	.60	4.3	Dom. Fdry.	3,670	14¼	14¼	13¾	14
100	96½	4.50	4.5	Do. 4½% pref.	20	99	99½	99½	99½
16	11½	-	-	Dom. Magnes.	415	11¾	11¾	11¼	11¼
35½	28	1.60	+1.20	Dom. Oilcloth	15	29	28	28	28
12¼	9	.50	5.5	Dom. Scot. Inv.	250	11¼	11¼	11¼	11¼
.70	65	4.00	6.0	Dom. Square	25	65	67	67	67
16½	10	1.00	9.8	Dom. St. & C.	5,280	11	11	10	10¼
17¼	14½	↑.45	-	Dom. Stores	980	16	16½	15½	16
9	7½	.40	5.1	Dom. Tar & Ch.	2,445	8	8	7¾	7¾
20½	19¼	1.00	4.9	Do. pref.	275	20½	20½	20½	20½
8	7½	1.60	-	Dom. Textile	3,525	9¼	9¼	8¼	8½
141¼	140	7.00	5.0	Do. pref.	2	141¼	140	140	140
5	2	•	-	Dom. Woollens	285	3¼	3	3	3
15	12½	1.20	8.0	Donohue Bros.	200	15	15	14½	15
18	15	•	-	Dow Brew	1,745	17	17	16½	17
55	31	1.60	+1.40	Dryden Paper	220	53	54	53¾	54
7	4	-	-	East Koot Pr.	100	5	4	4	4
81	5	-	-	East Steel	1,750	5¼	5¼	5	5¼
62	42	2.20	+1.30	Easy Washing	100	6	5¼	5¼	5¼
23½	20½	1.00	4.8	Eddy Papers	517	22	23	21½	22
10	10	▲1.00	-	Electrolux	985	10¼	10	10	10
21¼	18½	1.40	+1.35	Fam. Players	1,820	21	21¼	20¼	21¼
25	19½	▲1.50	-	Fanny Farmer	595	21	21	20¼	20¼
17	14	-	-	Federal Grain	975	16¼	17	16	17
25	24	1.40	5.3	Do. pref.	1,835	26	26½	25½	26¼
12	10	.60	3.8	Fittings A	60	10	10¼	10¼	10¼
3.25	2.75	-	-	Fleet Mfg.	2,700	1.00	1.00	.90	.90
68	58½	2.00	+11.00	Ford Motor A	2,655	63¼	64	60¾	64
33	23	-	-	For. Pr. Secs.	25	27	27	27	27
14¾	11	.60	4.8	Foundation Co.	1,615	13¾	13	12	12¾
18	13¼	1.00	7.0	Fraser Cos.	1,450	14¼	14¼	14¼	14¼
22¼	20¼	1.20	5.7	Gatineau Pwr.	1,620	22	21¾	20	21
107	100	5.00	4.8	Do. pref. 5%	20	106	105¼	104¾	104¾
110	104½	5.50	5.0	Do. 5½%	10	109	110	110	110
6.00	4.90	.20	3.7	Gen. Bakeries	650	5¾	5¾	5¾	5¾
45¼	31	↑4.25	-	Gen. Dynamics	1,910	32¾	35¼	31¾	32½
68¼	54½	▲4.00	-	Gen. Motors	807	56¾	58¼	54½	55¾
48	41	fstk	-	Gen Products A	100	46¾	46¾	46¾	46¾
15½	11½	1.00	6.3	Gen. St. Wares.	650	16¼	16¼	16	16
100	85	4.00	4.2	Goodyear Tires	10	95	95	95	95
49	46	2.00	4.2	Do. pref.	236	48	48	47¾	48
81	71	.50	6.5	Gor MacKay A	50	7¾	7¾	7¾	7¾
2.15	.95	↑.04	-	Can. Propane.	1,500	1.00	1.00	1.00	1.00
61	61	▲2.00	-	Can. Salt	5	6¼	7	7	7
45	27	.60	+.10	Can. Tire	70	40	45	43	43
20	19¼	1.00	5.1	Do. pref. A	45	19¾	20	19¾	19¾
100	95	5.00	5.0	C. Utilities pf.	5	99½	99½	99½	99½
19	15	1.00	6.6	Can. Vickers	850	16	16	15	15¼
10¼	8¼	.50	5.3	C. W. Lumber	1,305	9¼	9¼	9¼	9¼
72	55	2.00	3.2	C. Westingh'se	35	62	62	60	62
17	13¼	1.25	8.3	Canvar, Ind. L.	50	16¼	15	15

Government Bonds

September 8, 1953

(Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask
Victory Loans:			
3	Mar. 1954 ...	100⅞	101⅛
3	Nov. 1956 ...	99⅛	99⅞
3	May 1957 ...	97⅛	98⅛
3	Jan. 1959 ...	96⅛	97
3	June 1960 ...	95⅛	96⅛
3	Feb. 1962 ...	94⅛	94⅞
3	Oct. 1963 ...	93	93⅞
3	Sept. 1966 ...	92⅛	92⅞
Dom. of Can. Bonds:			
3	June 1958 ...	97⅛	97⅜
3½	June 1966 ...	95	96
3	Perpetual ..	†83	84⅛
2½	June 1968 ..	88⅛	89⅛
3½	Jan. 1975/78.	97⅛	97⅞
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955 ..	•101¼	103⅛
Grand Trunk Pacific Rly.:			
3	Jan. 1962 ...	•97	98⅛
4	Jan. 1962 ..	•103	104⅞
Dom. Guaranteed Bonds			
Can. Nat. Railways:			
3	Jan. 1959 ...	95⅞	97
4¼	Feb. 1956 ..	•102¼	103¼
2½	Mar. 1970 ...	♦90⅛	92⅞
5	Feb. 1954 ...	100⅛	100⅞
4½	June 1955 ..	•102⅛	103⅛
2½	Jan. 1967 ...	87⅛	88⅛
2½	Sept. 1969 ...	87¼	88⅛
3	Jan. 1966 ...	91⅛	93

%	Due	Bid	Ask
Prov. Govt. Bonds			
Alberta:			
2½	Mar. 1970 ...	♦90⅛	92⅛
British Columbia:			
4½	Jan. 1969 ..	♦105⅛	108⅛
5	Sept. 1953 ...	100	100⅛
3	Dec. 1960 ...	93⅛	95⅛
3	June 1964 ...	90	92
5	Sept. 1959 ..	•106⅛	108⅛
B. C. Power Comm.:			
3	Oct. 1967 ...	87	89
Manitoba:			
4	Dec. 1957 ..	♦100⅞	102⅛
5	Dec. 1959 ..	♦106⅛	108⅛
5½	July 1958 ...	104	106
3	Oct. 1965 ...	87⅞	90⅛
4½	Dec. 1956 ...	•101⅛	103⅛
New Brunswick:			
4½	Apr. 1961 ...	♦102	104
2½	June 1966 ...	83	84½
3½	May 1957 ...	96	97⅛
3½	Sept. 1965 ...	90⅛	91⅞
Nova Scotia:			
4	Nov. 1960 ...	♦102⅛	104⅛
5	Mar. 1960 ...	♦105	107
3½	June 1963/65.	92	93
3	June 1956/58.	94⅛	96
2½	June 1965/68.	84	85
Newfoundland			
4½	July 1964 ...	100⅛	101⅞

%	Due	Bid	Ask
Ontario:			
2½	Nov. 1965/69.	83½	85⅛
4	June 1962 ...	•100⅛	102⅛
4½	Jan. 1962 ...	♦104⅛	106⅛
2½	July 1967/76.	81⅞	84⅛
3	Nov. 1963/65.	89⅛	91⅛
5	May 1959 ...	106⅛	108
Ont. Hydro Commission:			
4	Aug. 1957 ...	•100⅞	102⅛
2½	Oct. 1965/68.	84⅛	85⅞
3	Dec. 1963/65.	89⅛	90⅛
3	Nov. 1967/69.	85⅛	87
3	Oct. 1965 ...	88	90⅛
Quebec:			
3½	Mar. 1954/59.	97⅛	99
3½	Feb. 1952/55.	99⅞	100⅞
4½	Aug. 1958 ...	100⅛	101⅞
4½	Jan. 1963 ...	101⅛	103⅛
3	Sept. 1962/64.	90	91⅞
Quebec Hydro Commission:			
3	Feb. 1969/73.	85⅞	87⅛
3	Dec. 1958/60.	94	95⅛
Saskatchewan:			
4	Nov. 1955/60.	99	100⅛
5	Aug. 1958 ...	103	105
4½	Mar. 1960 ...	♦104	106
5	Dec. 1959 ...	♦106⅛	108⅛
3	Mar. 1963 ...	89⅞	91⅞
3½	Nov. 1960/62.	91⅛	94
3½	Oct. 1962/65.	96	97⅛

♦Payable Can. or N.Y. •Payable Can., N.Y. or £.
†Callable on or after Sept. 15, 1966.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 11	Pulp and paper 10	Mill-ing 4	Oils 5	Textiles and cloth-ing 10	Food and allied prod. 14	Bever-ages 10	Bldg. mater. 16	Power and trac-tion 11	Banks 8	Total utili-ties 15	Total co's 105
*1953 to date:												
High	474.1	613.5	155.2	178.6	410.8	138.5	479.9	312.5	150.9	172.9	176.9	186.2
Low	69.7	51.6	61.2	41.2	78.4	79.5	79.3	66.7	60.2	60.0	62.5	61.1
1953												
Monthly Figures:												
Jan.	432.9	502.5	132.8	147.3	279.0	115.2	382.5	293.9	146.3	162.0	167.9	172.3
Feb.	419.9	494.4	133.4	143.0	269.4	117.0	387.0	291.0	148.2	164.8	166.0	169.0
Mar.	415.5	501.9	130.6	145.3	261.5	117.8	396.8	293.3	147.0	165.9	167.7	170.0
Apr.	382.7	472.6	130.4	136.8	247.7	118.7	384.4	282.2	144.9	163.0	161.0	160.8
May	381.6	471.0	128.3	134.6	235.1	118.2	395.9	275.1	143.4	166.3	160.4	159.8
June	378.9	471.9	128.8	127.4	217.6	118.3	388.1	270.7	140.9	168.4	157.5	156.8
July	394.9	494.9	129.8	129.3	202.7	124.3	408.6	278.5	141.9	169.1	157.9	160.7
1953												
Weekly Figures:												
Aug. 6 ..	399.0	515.2	133.0	133.0	210.2	125.5	413.2	286.1	142.6	170.5	157.4	162.7
Aug 13 ..	401.3	521.3	138.4	135.2	210.8	126.8	413.5	287.6	143.9	171.5	158.7	163.4
Aug 20 ..	400.6	519.1	137.9	130.7	212.8	124.5	411.1	283.9	142.7	172.9	153.5	161.0
Aug 27 ..	386.6	520.0	136.3	126.4	212.3	126.1	408.0	277.8	142.4	171.8	150.6	157.6

*High and low for year from 1935 to date inclusive are based on weekly figures issued by the Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	15 B.M.	15 W.O.
Sept. 7	.....	.....	.....	.....
Sept. 4	306.23	75.02	147.23	94.68
Sept. 3	305.62	75.14	146.44	93.95
Sept. 2	305.83	75.32	146.53	94.90
Sept. 1	304.81	75.59	146.58	92.67
Month Ago .	312.93	78.25	153.95	104.74
Year Ago ...	327.79	91.16	196.29	136.88
1953 High ...	326.81	87.01	185.69	128.51
1953 Low ...	296.79	74.53	145.71	91.61

Montreal Stock Exchange Index

	10 Util.	20 Ind.	30 Com.	10 Pprs.	15 Gold
Sept. 7	.....	.....	.....	.....	.....
Sept. 4	94.6	182.6	153.3	714.10	54.03
Sept. 3	94.8	183.0	153.6	713.15	54.31
Sept. 2	95.1	182.2	153.2	716.35	54.70
Sept. 1	94.7	182.7	153.4	709.96	54.41
Month Ago	95.7	190.3	158.7	710.61	57.63
Year Ago .	87.8	218.7	175.0	724.48	70.27
1953 High .	96.6	212.5	173.0	725.61	66.32
1953 Low .	91.5	180.8	151.7	639.76	54.41

Dow Jones Closing Stock Averages

	30 Indus.	20 Rails	15 Util.	65 Stocks
Sept. 7	.....	.....	.....	.....
Sept. 4	264.34	96.93	49.71	102.45
Sept. 3	263.61	96.65	49.62	102.18
Sept. 2	263.96	97.14	49.53	102.28
Sept. 1	262.54	96.62	49.44	101.89

	30 Indus.	20 Rails	15 Util.	65 Stocks
Month Ago .	275.32	105.86	50.49	107.71
Year Ago ...	275.87	101.31	50.94	106.30
1953 High ...	293.79	111.21	53.88	113.96
1953 Low ...	261.22	95.63	47.87	101.29

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)
September 8, 1953

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Bid	Prev. Week Ask. Bid
Alg. Cen. H.B.R.	5	'59	135	139	135	
Bell Tele.	3	'77	81¼	84½	81¼	
Do.	4¼	'67	100¼	103¼	100¼	
Braz. Traction ..	4½	'70	85	88	85	
B. C. Electric ..	3½	'67	86	89	86	
Do.	3½	'75	85	88	85	
Do.	3½	'69	90	93	90	
Do.	4½	'77	99	102	99	
B. C. Tele.	4	'62	97	100	97	
East Kootenay ..	3½	'67	83½	86½	83½	
Gat. Power D ..	3½	'70	83½	91½	83½	
Gt. Lakes Pwr.	4½	'69	93	96	93	
Maclaren-Quebec Power	3	'69	85	88	85	
Mex. Lt. & Pr.	5	'75	68½	71½	68½	
Mtl. Trams. B .	5	'55	99½	102½	99½	
Nat. Lt. & Pwr.	4½	'61	94	97	94	
North. Que. Pr.	4½	'67	93	96	93	
Power Corp. ...	3½	'67	88½	91½	88½	
Quebec Power ..	3	'62	90	93	90	
St. Maurice Pr.	3½	'70	86½	89½	86½	
Shaw. W. & Pr.	3	'71	85	88	85	
Do.	3½	'73	88½	91½	88½	
Un. Fuel Invest.	4	'59	97	100	97	
Wpg. Electric .	3½	'71	92	95	92	
Industrial Issues:						
Abitibi Pr. P. ..	3½	'67	94	97	94	
Acadia-Atlantic Sugar	3½	'65	88	91	88	
Alaska P. & C.	4½	'68	93	96	93	
Aluminum Co. ..	3½	'74	92½	95½	92½	
Barvue Mines ..	5s	'56	96	99	96	
Bowater's Nfld. P. & P.	3½	'68	87	90	87	
B. C. For. Pr. ..	4½	'66	94	97	94	
Burns & Co.	4	'63	95	98	95	
Can. Steamship	4	'66	96	99	96	
Can. Bread	4½	'67	90	93	90	
Can. Brew.	4	'69	92	95	92	
Can. Canners ..	3½	'70	84½	87½	84½	
Can. Celanese .	3	'62	91	94	91	
Can. Chemical .	5½	'71	98	101	98	
Can. Oil	3½	'62	91½	94½	91½	
•Do.	5	'72	104	107	104	
Can. West. Lum.	4	'62	97	100	97	
Cockshutt Plow	4½	'63	93	96	93	
Columbia Cell. .	5½	'68	97½	100½	96½	
Consol. Paper ..	3½	'67	98½	101½	98½	
Dom. Stores ..	5	'72	99	102	99	
Dom. Tar & Ch.	5	'67	98	101	98	
Dom. Woollens .	5	'64	60	63	60	
Dryden Paper ..	5½	'66	98	101	98	
E. B. Eddy	4½	'69	98½	101½	98½	
Elk Falls Co. ..	5	'73	94	97	94	
Fed. Grain	4	'64	93	96	93	
Gen. Stl. Wares	3½	'70	89½	92½	89½	
Gt. Lakes Pap. .	3½	'67	93	96	93	
Gt. Plains Dev.	1-4	'65	60	63	60	
Husky Oil	5½	'62	100	103	100	
Imp. Tobacco ..	3	'70	85	88	85	
Imp. Oil	3	'69	85½	88½	85½	
Indust. Acept. .	5	'70	95	98	95	
Irving Oil Co. .	5½	'67	97	100	97	
Maple L. M.	3½	'63	93	96	93	
Massey-Harris .	5	'67	99	102	99	
McColl-Front. ..	3	'71	82½	85½	82½	
Mercury Mills .	4	'63	84	87	84	
Mon. Knit.	4½	'71	88	91	88	
N. S. Steel Coal	3½	'63	92	95	92	
Page-Hersey T.	3½	65	90½	93½	90½	
Price Bros.	3½	'66	90½	93½	90½	
St. Law. Corp. .	5	'72	98½	101½	98½	
Silverwood Dair.	4	60-64	90	93	90	
Do.	4	'71	89	91	89	
Simpsons Ltd. ..	4½	'73	100½	103½	100½	
Simpsons-Sears .	4½	'72	101¼	104¼	101¼	
Steel Co. of Can.	2½	'67	86½	89½	86½	
Traders Finance	5½	'68	97½	100½	97½	
United Corp. ...	4	'58	95½	♦98½	95½	
United Steel ...	4	'60	91	94	91	
Un. Grain Gr. .	3½	'70	85	88	85	
CONVERTIBLE ISSUES						
Abitibi Pr. & P.	4½	'61	98	101	98	
Ajax Petr. Ltd.	5	'62	95	99	95	
Atlas Steels	5	'67	100	103	100	
Braz. Traction .	4½	'71	84	87	84	
B. A. Oil	3½	'61	100½	103½	100½	
Do.	3½	'62	96	99	96	
B. C. For. Pr. .	5	'66	97½	100½	97½	
Can. So. Oils .	5	'61	89	93	87	
Can. Brew.	4½	'61	99	102	99	
C.P.R.	3½	'66	93	96	92½	
Do.	4	'69	98	101	97½	
Central Leduc .	5	'65	90	94	90	
Cockshutt Farm	5	'68	98	101	98	
Dom. Steel & C.	4	'61	92	95	92	
Dom. Textile ..	4	'66	94	97	94	
Gen. Pete	4½	'65	94	99	94	
Jupiter Oils	5	'67	89	94	89	
Kroy Oils	5	'67	95	98	95	
N. Sup. Oils	5	'64	94	98	94	
Pathfinder Pet.	1-5	'62	77	87	77	
Power Corp.	4½	'68	107	112	107	
Scurry Oils	5	'64	89	93	89	
Silverwood Dair.	5½	'72	101	104	101½	
Supertest Pete. .	4	'70	97	100	97	
Traders Fin. ...	4	'65	169	175	169	
Trans Empire ...	5	'66	96	99	96	
Do.	5½	'67	97	102	97	
Triad Oil	4½	'67	100	103	100	
West. C. Brew.	5	'67	97½	100½	97½	

*Payable in Canada, U.S. or U.K.

Bond Redemptions

Bond Issues:	Rate	Year	Cal.	Price
First Narrows Bridge Co. Ltd. 5% 1st mtge. 30-yr. s.f. bds.	5%	'67	Oct. 2	$102.75•

•Plus accrued interest.

Stock Redemptions

Company:	Rate	Date	Price
•Cdn. Wirebound Boxes 5% cl. B shs.	5%	Oct. 1	•$10.00

*All outstanding.
•Plus accrued dividend.

Mining Stocks

	Div. Rate $	Last sale	Sept. 4 Bid	Ask
Amal. Lard	...	.20	.18	.20
Belle-Chib.	...	.11	.09	.13
Bouzan	...	.04	.03½	.04
B.R.X. Con.	...	.03	.01	.03
Bruce Cons.	...	.01	.01½	...
Canusa	...	.04	.03½	...
Cartier Mal.	...	.03	.02½	.03
Cent. Manitoba	...	.11	.09	.10
Century	...	.04	.03	...
Coast Copper	...	1.00	.85	1.00
Coleman A	...	.25	...	...
Do. B	...	.24	...	...
Columbia	...	.09	.08½	.10½
Congress	...	.06	.06	.09
Coniagas	...	1.60	1.55	1.60
Cryderman	...	.01½	.01½	.02
Delnite	.04	1.35	1.30	1.50
Dickstone C.	...	.10	.04	.10
Eureka warr.	...	.26	.25	.30
Flin Flon	...	.00½	.00½	.01
Fourty-Four	...	.75	.75	.92
Francoeur	...	.07½	.07½	.07½
Golconda	...	.16	...	.25
Gold Lake	...	.01½	.01½	.02
Grandoro	$.02	.35	.35	.45
Grandview	...	.21	...	.30
Great Falls	...	.07	.03	.08
Halifax	$.17	2.90	2.90	3.00
H'd of L'ks	...	.10	.10	.13
High Bell	$.05	.36	.36	.40
Hudson R.	...	.12	...	.12
Island Lake	...	.01	...	.01
Island Mountain ..	...	.27	.27	.33½
Jack Lake	...	.03	.03	.04
Kerr Lake	$.05	.25	.22	.30
Kirk, Town	...	.13	.13	.15½
Koot. Belle	...	.03	...	...
Lapaska	...	.06	.04½	.05½
Mandalay	...	.00½	...	...
Matachewan	...	.17	.14	.16
Mentor Explor. ..	...	4.50	4.00	5.00
Monpas	...	.04½	.04½	.04½
N. Louvre	...	.07	.05½	...
Nipissing	...	1.50	1.50	1.58
Nor-Acme	$.03	.80	.65	.80
Normandy	...	.01	.01	.01½
North Empire	$.25	2.00	1.40	...
Packsack	...	.00½	.01½	.03½
Pitt G.	...	.03½	.02	.04
Porc. Prime	...	.08	.05	.08
Red Hawk	...	.03	.02½	...
Rice Lake	...	.02½	.01	.02
Ryanor	...	.10	.11	.12
Scotia Gold	...	.01½	...	...
Soma Duv.	...	.04½	.04	.05
S. American G. ..	$.10	1.10	...	...
Spud Valley	...	.05	.04	.05
Standard G.	...	.09	.08	.10
Star Lake	...	.01	.00½	.01
Sturgeon River	...	.16	.15	.19
Taku	...	.06½	.05½	.06
Utica	...	.01½	...	.01½
Vananda '48	...	.01½	.01½	...
Vinray	...	.02½	.02½	...
West Mal.	...	.06½	...	...
West Ex.	...	.50	...	...
Winnipeg R. Tin ..	...	.03	.02½	.03
— OIL STOCKS —				
Amal'ted	...	.11	.11	...
Calalta	...	.48	...	...
Can. Oil Lands w.	...	2.05	...	...
Candn. Prospect .	...	4.00	4.00	5.00
Coastal	...	1.30	1.00	...
Cons. East	...	.45	.60	.67
Cons. W. Pet.	...	.49	.56	.60
Emjay	...	.04½	.03	.05
Marvel	...	.03	.03	.05
McIvor Drill	$.50	10.00	.09½	.10
N. Davies	...	.15	.15½	.20
So. Brazeau	...	.04½	...	...
So. West Pete.	...	.40	.40	.55
Sunset	...	.25	.22	...
Turner V.	...	.50	.35	...
Vanalta	...	.26	.30	...

*U. S. funds. †Paid or payable in 1953. ‡Paid in 1952. •Dividend deferred.

Record of Financing

Sales by Municipalities, Provincial and Dominion Government. Offerings of Corporation and Foreign Securities

DOMINION

Government of Canada Treasury Bills—Due Nov. 27, 1953, and May 28, 1954, $40,000,000. Issued Aug. 27, 1953. Sold at $99.54184 to yield 1.846% and $98.05080 to yield 2.658%.

Government of Canada Treasury Notes—Due Mar. 1, 1954, $550,000,000. Issued Aug. 31, 1953. Sold to Bank of Canada at par.

MUNICIPAL

Town of Petrolia, Ontario — 5% debentures, Due Oct. 1, 1954-68, $190,000. Issued Aug. 21, 1953. Sold at $99.60 to Wood, Gundy & Co. Ltd., and Bank of Toronto.

Town of Hespeler, Ontario — 4½% debentures, due Sept. 1, 1954-68, $28,023. Issued Aug. 26, 1953. Sold at $99.30 to McLeod, Young, Weir Inc.

Township of Nepean, Ontario — 5% debentures, due Sept. 1, 1954-73, $258,000. Issued Aug. 27, 1953. Sold at $100.34 to a syndicate headed by A. E. Ames & Co. Ltd. and James Richardson & Sons.

City of Joliette, Quebec — 3½, 4% debentures, due July 1, 1954-73, $280,000. Issued Aug. 24, 1953. Sold at $93.69 to credit Interprovincial, Ltee.

Town of Jonquiere, Quebec — 4%, 4¼%, debentures, due Sept. 1, 1954-73, $400,000. Issued Aug. 24, 1953. Sold at $93.69 to McNeil, Mantha Inc.

CORPORATE

Northland Utilities Ltd. — 5% first mortgage, sinking fund bonds, Series "B," due Feb. 1, 1973, $340,000. Issued Aug. 20, 1953. Offered at $96.00 and accrued interest, to yield 5.33% by Pemberton Securities Ltd.

Market Comment

What stocks and bonds are doing and what prominent observers say

Volume of trading on Canadian exchanges has been tapering off following the sharp break in prices last week. In general, stocks have resisted any extension of the downward trend, and some groups have moved narrowly forward.

Stocks in a number of Canadian industries — textiles and liquors among them—have already undergone fairly lengthy corrections and now seem to be in a position to withstand a general market weakness.

Other groups, however, have less protection from selling pressure. The Toronto Stock Exchange's indices of western oils and base metals are only slightly above their 1953 lows. Lack of traders' interest among mining issues appears to be due to the low level of base metal prices, high mining costs and prolonged labor unrest. Many speculators are keeping close to the sidelines, restricting their trading to a comparatively few penny issues.

In New York, minor gains in recent daily sessions have brought only a partial recovery of the losses suffered early last week. To observers who follow the Dow theory, New York has reaffirmed the existence of a bear market.

• • •

A. A. McLAUGHLIN; Crabtree & McLaughlin (Montreal)

The decline in the last two weeks of August more than wiped out the disappointing summer rally and confirmed the existence of a broad downtrend in the New York stock market since the beginning of this year. It is, of course, one thing to recognize that a downtrend has existed, and quite another to foresee how far it will extend. But so far, stocks have shown a lack of rallying power which portends at least some further testing of recent lows, and quite possibly a fair number of new lows.

General buying, in our opinion, should be postponed until there is more evidence that the decline has run its course and that a clearly oversold condition has developed. Bargain - hunting should be done with extreme care. By the same token, indiscriminate selling should also be avoided, for a considerable number of stocks in all probability have already experienced the worst of their decline. This applies to some of the more attractive Canadian stocks which reached their peak almost two years ago and in some cases have turned up again after laying solid re-accumulation bases.

The unusual feature of this year's downtrend in New York stocks is that it has taken place in face of the highest volume of business on record and a sharp rise in corporate profits. Current prosperity has carried less weight in the marketplace than fears that the inevitable sequel to boom must be bust. Thus the distrust which prevented usual optimistic valuation of peak earnings is being carried a step further now that signs appear to point to the beginning of the downtrend that has been so long anticipated.

Conceivably, as the technical action of the market suggests, this discontinuing of the boom may not yet have been carried to the point of reversal. The stock market always goes to extremes. But leading industrial stocks are selling to yield over 6% from well-protected dividends and only 10 times earnings that could actually be higher next year, without EPT, even if general business activity declines 10%. There is, therefore, the potential basis for a really important recovery in stock prices—once it becomes apparent that the business decline is not going to be any more serious than most competent economists now expect and, particularly, once it becomes clear that Excess Profits Tax and personal income tax relief (U. S.) will materialize on schedule at the end of this year. That is the vital prospect for investors to bear in mind.

• • •

H. J. KNIGHT; Walwyn, Fisher & Co. (Toronto)

Since the early part of this year security markets appear to have been reflecting a readjustment in our economy towards tighter money and more competitive conditions in business. Bond interest rates have risen, commodity prices have declined, and semi-annual reports in most cases are indicating slightly lower common stock earnings. In industry it is felt that the production indices will have a tendency to ease further in the months ahead, but there is ample evidence which would seem to suggest that a serious recession is highly improbable.

These are trying times for investors, a great number of whom are influenced by short term trends. In the bond market, interest rates appear to be leveling off and little change is expected in prices in the near future. Convertibles, of course, will be influenced to some extent by the action of the stock market.

The stock market, which had to digest a lot of pessimism for months past, has also reflected the resultant upgrading of portfolios. It is expected that any further downward pressure on the indices from this point will likely meet with greater resistance and will afford buying opportunities for the long term. Disparities in values now apparent could be exaggerated and be very beneficial to the alert investor. Selection will be important and from an industry point of view it could well be that pulp and paper, textiles, pipelines, major oil and mining companies may merit attention.

• • •

BARRON'S; The Trader (New York)

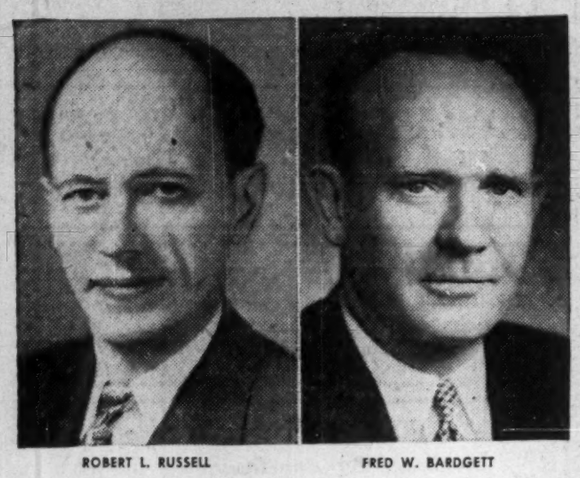
Despite the intense market bearishness, general business has seldom been better. Aside from the farm equipment industry, there are few signs of an approaching slide into a depression. Civilian employment in August rose 300,000 over July to 63.4 million, the highest ever. Unemployment sank to 1,200,000, the lowest level since World War II. Total labor force, including the armed forces, for the first time exceeded 65 million. Finally, the FRB Index of Industrial Activity is estimated to have made a full seasonal recovery in August to 238, up five points from the 233 of July and only five points below the postwar high of 243 in March.

Dividends Declared

	This payment $	Date payable	Date of record
Abitibi Pwr. & Pap.	.25	Oct. 1	Sep. 1
Do. $1.50	.37½	Oct. 1	Sep. 1
Acadia-Atl. Sug. ..	.12½	Oct. 1	Sep. 10
Do. A	.30	Oct. 1	Sep. 10
Do. 5% pf	1.25	Sep. 15	Aug. 20
Admiral Corp. ...	1.25	Sep. 30	Sep. 15
Amer. Cyanamid ..	1.50	Sep. 25	Sep. 1
Do. 3½% pf.	†.87½	Oct. 1	Sep. 1
Do. 3½% B pf. ..	†.87½	Oct. 1	Sep. 1
Amer. Nepheline	.02	Oct. 19	Oct. 2
Anglo-Can. P & P	.50	Oct. 7	Sep. 15
Anglo-Nfld. Dev. .	.15	Oct. 2	Sep. 4
Asbestos Corp.	.25	Sep. 30	Sep. 9
Ashdown Hdwre. A	.15	Oct. 1	Sep. 10
Do. B	.25	Oct. 1	Sep. 15
Aut'le Whole A & B	.10	Oct. 1	Sep. 15
Do. pf.	.55	Dec. 1	Nov. 16
Auto Elec. Serv. ..	.15	Sep. 15	Aug. 21
Do. A	.12½	Sep. 15	Aug. 21
Barber Ellis	.80	Sep. 15	Aug. 31
Barymin Co. Ltd. .	.10	Oct. 10	Sep. 10
Beaver Lum. pfd. .	.25	Oct. 1	Sep. 10
Do.	.35	Oct. 1	Sep. 10
Beid. Corticelli ...	.15	Oct. 1	Aug. 31
Do. 7% pf.	.17½	Oct. 1	Aug. 13
Bell Tel.	.50	Oct. 15	Sept. 11
Belleterre Que. M.	.05	Sep. 15	Aug. 14
Biltmore Hats	.10	Oct. 15	Sep. 21
Do. A	.25	Oct. 15	Sep. 21
Bird Construction .	.50	Sep. 30	Sep. 15
Do.	.50	Dec. 31	Dec. 15
Brantford Roof. A .	.25	Nov. 1	Oct. 15
Brazilian Tr. 6% pf.	1.50	Oct. 1	Sep. 15
T. G. Bright 5% pf.	.28¼	Sep. 30	Sep. 15
Br. Am. Bk. Note	.25	Sep. 15	Sep. 1
Br. Am. Oil	.17½	Oct. 1	Sep. 1
B. C. Elec. 4% pf..	1.00	Oct. 1	Sep. 15
Do. 4½% pf.	1.12½	Oct. 1	Sep. 15
Do. 5% pf.	.62	Oct. 1	Sep. 15
B. C. Packers A ..	.37½	Sep. 15	Aug. 31
B. C. Power A	.40	Oct. 15	Sep. 30
B. C. Tel.	.50	Oct. 1	Sept. 16
Building Prod. ...	.45	Oct. 1	Sep. 11
Burns & Co. A	.50	Oct. 29	Oct. 8
Do. B	.50	Oct 29	Oct. 8
Burrard D D. A	.12	Sep. 15	Aug. 25
Butterfly Hose.	.10	Sep. 15	Aug. 29
Cal. & Ed. Corp. ..	.05	Oct. 15	Sep. 11
Can Cement pfd.

Announcement

Hallicrafters Appointments



ROBERT L. RUSSELL FRED W. BARDGETT

With construction under way of the new $400,000 Canadian plant, William J. Halligan, President of The Hallicrafters Canada Limited, is pleased to announce the appointments of Robert L. Russell as Vice-President and General Manager and of Fred W. Bardgett as Vice-President in charge of sales. The new plant, which will cover almost seven acres, will employ up to 250 people and full production is expected before the end of the year.

The UN Looks at Forced Labor

A 'Serious Threat to Fundamental Human Rights'

There are two principal systems of forced labor in existence in the world—the kind that is used for political coercion or punishment for holding or expressing political views and the kind used for important economic purposes

This is the finding of a joint United Nations - International Labor Office Committee set up two years ago to look into the subject. The committee has asked countries, where forced labor was discovered, to eliminate the practices.

The following is a digest of the committee's report:

Facts relating to systems of forced labor are of so grave a nature that they seriously threaten fundamental human rights and jeopardize the freedom and status of the workers in contravention of the obligations and provisions of the charter of the UN.

These systems of forced labor should be abolished to ensure universal respect for, and observance of, human rights and fundamental freedoms.

A system of forced labor as a means of political coercion is established in certain countries, probably in existence in others, and possible of establishment in others.

While these systems jeopardize human rights less seriously, they are no less a violation of the UN charter and the Declaration of Human Rights. Although such systems may be found in different parts of the world, their nature and scope are not everywhere the same.

These systems still found to exist in some territories or countries where a large indigenous population lives side by side with population of another origin — most often result from a combination of various practices or institutions affecting only the indigenous population, and involving direct or indirect compulsion to work, such as compulsory labor properly so-called, various coercive measures of recruiting, the infliction of heavy penalties for breaches of contracts of employment, the abusive use of vagrancy legislation, restrictions of freedom of movement, restrictions on the possession and use of land, and other similar measures.

Example: a pact between San Tome on the one hand and Mozambique, Angola and Cape Verde on the other, provides for recruitment of a certain number of workers through San Tome and Principe Emigration Co. which has to pay the government a fee for every person recruited both on conclusion and renewal of his employment. Duration for the contracts of workers recruited in Angola is fixed at a maximum of four years.

These practices — engaging a man to work for four years on an island that he cannot leave without government assistance and where he cannot switch jobs—tend to limit very considerably the worker's freedom.

For nearly 25 years the ILO has been striving to bring about the abolition of such practices and to improve the conditions of the indigenous workers. The committee's investigation has revealed that many of the countries concerned had opposed such practices, on paper, and in some cases had done something about their situations.

The committee studied and examined in detail allegations of forced labor and documentary material relating to 24 countries.

The conclusion was that forced labor for political purposes exists in Bulgaria, Czechoslovakia, Romania and in the Soviet Union for political and economic purposes.

Certain powers enjoyed by the Hungarian Government might constitute the basis of a system of forced labor for the purpose of political coercion. Restrictions placed on freedom of employment, if rigorously enforced, might constitute the basis of a system of forced and compulsory labor imposed with a view to carrying out the economic plans of the State.

Certain "elements" in the situation in Poland suggests that legislation in that country could be applied as a means of political coercion. There is also in Poland a basis for a system of forced labor for economic purposes.

In regard to Spain, certain legal provisions in force could be applied as a system for forced labor for political coercion or punishment for holding or expressing political views.

There was no evidence to substantiate allegations of forced labor in Argentina, Brazil, Chile, Columbia, Ecuador, France, Paraguay, Peru, the United Kingdom, the United States, Venezuela, or in any of the territories administered by these states.

Portuguese legislation prohibited forced or compulsory labor in principle but there are certain restrictions and exceptions in this legislation which permit the exaction of forced or compulsory labor.

The native population of the Union of South Africa is compelled to contribute by their labor to the implementation of the economic policies of the country, but compulsory and involuntary nature of this contribution results from the particular status and situation created by special legislation applicable to the indigenous population alone, rather than from direct coercive measures designed to compel them to work, although such measures, which are the inevitable consequence of this status, were also found to exist.

In this indirect sense, therefore, a system of forced labor of significance to the national economy appears to exist in the Union of South Africa.

In the Territory of Nauru, under Australian administration, breaches of labor contracts by Chinese and other non-European workers are punished as a criminal offence. Such legislation, if abused or vigorously implemented, might lead to a system of forced labor for economic reasons.

In territories administered by Belgium, indigenous mine workers are not forcibly recruited, but they are liable to penal sanctions for breach of contract, which might lead to a system of forced labor.

Certains forms of compulsory labor might have some economic significance for the territory and might therefore lead to a system of forced labor for economic purposes.

The legislation of the Democratic Republic of Germany (East Germany) contains provisions referring to punitive and corrective labor. But the committee has been unable to verify whether or to what extent this legislation is applied as a means of political coercion as alleged. There were indications that certain laws are used for the compulsory assignment of workers to enterprises important for the execution of the state economic plans and, in particular, for the compulsory assignment of people to work as miners. If such legislation were widely applied it would lead to a system of forced labor for economic purposes.

The enquiry did not reveal the existence in Latin America of a system of forced labor within the meaning of the committee's terms of reference. But if the legislation concerning compulsory labor in Bolivia were extensively used it could result in a system of forced labor of some importance to the economy of that country.

The committee's examination of allegations concerning territories administered by or associated with France disclosed no evidence of forced labor within the meaning set by the committee.

The same conclusion was reached in regard to the U.K. and 12 territories under its administration. The Emergency Regulations in Malaya, however, if broadly interpreted and extensively applied (though there is no evidence that they have been so interpreted or applied) could lead to a system of forced labor as a means of political coercion. The Voluntary Unemployed Persons Ordinance in Kenya could also be applied to make forced labor possible.

From examinations of the allegations concerning the U. S., it appeared that most of the specific allegations are not relevant to the committee's terms of reference, or where they appear to be relevant, they are not substantiated by the evidence available.

In the two cases where there appears, prima facie, to be evidence of the existence of practices resembling forced labor—in connection with illegal Mexican immigrants ("wet-backs") and with certain instances of peonage —these practices are directly outlawed, and there is no evidence to suggest that when the offenses are brought to the attention of the U. S. Government, the laws are not enforced. These practices do not constitute forced labor within the meaning of the terms of reference.

As regards vagrancy laws, however, in some states the term "vagrancy" is defined so broadly and the punishment for the offense is so severe that, if extensively interpreted and applied, it could lead to a system of forced labor for economic purpose in the states concerned.

Cutback In CNR Coal Orders Hits Intercolonial Coal Co.

MONTREAL (Staff)—Life of Intercolonial Coal Co. looked precarious again recently, as CNR cut its weekly coal order by 1,100 tons, representing over half the market of the company's Westville, N.S. colliery.

The mine has been operated on a month-to-month basis since Oct., 1952, when shareholders approved a proposal to abandon operations and gave directors the authority to wind up the company. A closure notice had already been filed with the N.S. Dept. of Mines when at the beginning of this year CNR upped its coal purchases to 2,900 tons weekly, thus guaranteeing a full five-day work week. The present cutback means that the colliery can only be kept operating three or four days a week.

At the special meeting of shareholders called to approve winding up in Sept., 1952, President W. J. Graham said costs at the Westville colliery amounted to $11 a ton, with about 68% of its output sold to CNR at $9 a ton. He predicted the company's 1952 losses at $60,000-$70,000 ($50,417 in 1951).

At that time it was estimated that holders of $100 par common shares would receive 45c-50c to the dollar on liquidation.

Negotiations have been going on for some time with Dominion Coal Co., with a view to having the Dosco subsidiary take over the Intercolonial operation, but no definite commitments have been announced.

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Staff Changes

Chartered banks announce the following staff changes.

Nova Scotia

C. L. BOWLBY, a supervisor of branches at general office, Toronto, to be supervisor, Manitoba, Saskatchewan and Alberta branches, with headquarters at Winnipeg.

W. F. HODGSON, assistant manager, Queen and McCaul, Toronto.

J. F. SHEA, accountant, Malton, Ont.

Announcement

A. W. JOHNSTON, A.I.A., F.S.A.

heretofore one of the Joint Actuaries of The Excelsior Life Insurance Company, has now been appointed Actuary of the Company.

He joined The Excelsior Life in 1916 and has been Joint Actuary since 1938.

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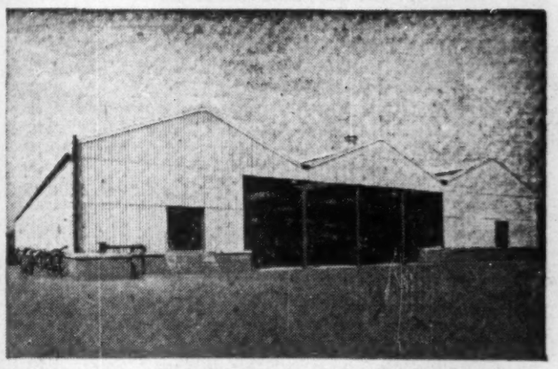

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Position of Chartered Banks of Canada as of July 31, 1953 Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Deposits by & bal. Due to Dominion Government	Deposits by & Bal. Due to Prov. Govts.	Advances from Bank of Canada Secured	Demand Deposits in Canada	Savings Deposits in Canada	Deposits in Canada in currencies other than Canadian	Deposits Elsewhere	Bal. due to Other Banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Letters of credit outstanding	Others Liabilities	Dividends declared & unpaid	Reserve Fund	Capital paid up	Total Liabilities
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	.....	60,700,338	52,974,117	.....	699,417,784	1,211,109,698	30,198,902	85,180,194	21,191,186	7,274,711	18,295,605	47,361,746	385,512	1,092,077	52,000,000	36,000,000	2,334,181,877
Nova Scotia	38,122	7,473,204	10,942,054	.....	244,321,609	474,183,639	15,014,980	94,570,861	12,199,313	1,605,878	9,744,765	18,777,006	717,855	606,355	30,000,000	15,000,000	935,186,548
Toronto	.....	4,989,846	2,889,028	.....	164,977,387	325,927,104	2,257,802	.....	9,052,336	2,062,007	2,273,385	3,594,624	22,659	212,883	14,000,000	6,000,000	538,279,563
Provincial	.....	1,784,327	1,569,566	.....	43,528,238	132,834,637	153,958	.....	5,382,782	.....	265,315	303,766	71,918	9,681	2,451,363	4,931,994	193,287,551
Commerce	16,910	17,832,397	29,955,525	.....	608,953,675	927,055,346	23,235,941	101,586,731	23,328,650	5,721,445	11,353,727	37,990,394	1,456,173	919,998	35,000,000	30,000,000	1,854,408,917
Royal	88,400	20,138,058	46,634,298	.....	786,585,102	1,140,329,158	62,814,476	439,577,951	26,519,064	3,568,118	43,416,847	52,306,591	1,301,943	1,093,225	50,000,000	35,000,000	2,709,373,235
Dominion	.....	3,531,655	2,449,063	.....	164,725,411	265,077,236	7,532,839	28,312,197	9,732,690	2,327,545	3,751,408	8,086,562	492,282	212,803	11,000,000	7,000,000	512,231,717
Nationale	.....	6,413,270	1,901,483	.....	128,283,409	337,097,201	767,441	1,069,695	3,312,101	118,484	1,152,246	1,471,025	64,539	203,332	7,500,000	7,000,000	496,354,244
Imperial	.....	2,759,497	20,147,354	.....	197,733,644	330,763,270	2,241,337	.....	8,315,250	3,753,169	3,245,769	6,970,580	297,196	226,423	11,000,000	7,000,000	594,555,514
Barclays	.....	119,513	18,088	.....	10,072,997	7,988,674	2,509,777	.....	823,940	6,404,078	1,522,031	920,223	.....	.....	1,500,000	1,500,000	33,379,324
Total	143,432	125,743,105	169,480,611	.....	3,048,589,756	5,152,367,963	146,827,453	739,299,629	129,848,312	32,855,435	95,021,118	177,782,517	4,810,077	4,376,777	220,451,363	149,431,994	10,197,238,595

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital authorized	Capital subscribed	Last dividend	†Loans to directors & firms of which they are partners	Greatest amount of notes in circulation	Bills rediscounted with Bank of Canada
	$	$	%	$	$	$
Montreal	50,000,000	36,000,000	12	870,767	.....	.....
Nova Scotia	25,000,000	15,000,000	16	5,660,798	38,345	.....
Toronto	10,000,000	6,000,000	14	741,705	.....	.....
Provincial	10,000,000	5,000,000	6	1,594,919	.....	.....
Commerce	50,000,000	30,000,000	12	1,346,304	16,965	.....
Royal	50,000,000	35,000,000	12	4,017,508	89,548	.....
Dominion	7,000,000	7,000,000	12	464,425	.....	.....
Nationale	7,000,000	7,000,000	10	732,872	.....	.....
Imperial	10,000,000	7,000,000	12	874,266	.....	.....
Barclays	1,500,000	1,500,000	—	.....	.....	.....
Total	226,500,000	149,500,000	.....	16,003,564	144,758	.....

†And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin held in Canada	Gold and Subsidiary Coin held Elsewhere	Notes of Bank of Canada	Deposits with Bank of Canada	Notes and Cheques on other Banks	Govt. and Bank Notes other than Canadian	Balances due by other banks in Canada	Due by banks in U.K.	Due by banks elsewhere	Dom. Gov. Short Term Sec.	Dom. Gov. Long Term Sec.	Prov. Gov. Short Term Sec.	Prov. Gov. Long Term Sec.	Canadian municipal securities	Public securities other than Canadian	Other bonds and stocks	Call and short loans in Canada	Call and short loans elsewhere
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	3,786,284	5,836	46,768,958	173,055,177	151,312,748	2,330,583	115,398	1,893,847	21,810,550	241,019,497	509,525,689	28,853,645	57,229,083	42,267,305	73,886,802	123,780,362	18,986,829	35,929,792
Nova Scotia	1,614,194	497,537	24,181,535	46,279,803	62,928,648	6,185,546	.....	1,094,833	21,575,584	48,505,811	116,638,678	1,480,328	5,303,137	8,076,835	6,003,329	22,266,107	15,478,697	18,909,908
Toronto	962,695	.....	11,348,547	35,633,762	39,366,128	1,046,501	.....	1,527,763	6,021,045	63,226,131	99,401,285	7,448,260	7,303,264	9,408,680	4,193,919	18,857,751	6,196,817	.....
Provincial	591,861	.....	5,624,925	14,520,200	15,402,234	326,359	1,425	56,058	1,024,532	13,106,992	26,474,830	3,852,197	12,456,137	10,379,546	.....	6,569,664	2,813,062	.....
Commerce†	2,750,130	66,325	30,293,033	119,810,333	93,322,694	2,859,125	79,921	1,631,997	34,013,388	192,644,090	343,163,778	23,942,527	14,180,351	22,965,147	63,882,674	67,796,921	26,031,297	27,886,203
Royal†	3,504,124	1,072,204	53,382,203	153,213,957	150,493,608	24,652,693	22,239	9,252,820	153,349,638	170,303,986	562,936,616	28,187,783	46,694,752	37,153,586	103,374,099	102,938,906	33,316,945	71,311,399
Dominion	843,628	876	9,065,574	35,900,171	36,868,038	726,044	.....	3,083,020	12,435,621	47,992,061	50,016,046	3,710,023	3,362,041	6,632,095	.....	5,088,717	6,171,959	23,440,080
Nationale†	1,377,018	162	18,742,721	22,609,206	19,556,665	895,452	.....	115,173	1,524,233	80,823,501	55,339,089	3,066,509	20,983,436	13,678,769	1,062,850	14,557,532	5,234,249	.....
Imperial	1,190,580	.....	14,569,887	42,341,670	40,180,789	552,622	22,807	584,621	5,822,928	46,410,133	108,575,363	3,778,942	11,191,368	10,071,387	1,732,500	8,254,719	10,055,079	.....
Barclays	6,408	.....	204,642	3,314,792	907,162	30,507	100,090	665,501	751,437	4,632,488	5,270,953	376,274	3,286,962	687,774	722,961	250,000	406,181	.....
Total	16,626,925	1,642,940	214,182,025	646,579,071	610,358,714	39,605,602	341,880	19,905,573	258,328,954	909,784,695	1,677,342,327	104,696,488	191,990,531	161,321,124	256,799,625	370,361,669	124,791,119	177,457,382

NAME OF BANK	Current loans in Canada	Current loans elsewhere	Loans to prov. governments	Loans to municipalities	Non-current loans	‡Real estate other than Bank premises	Bank premises	Deposit for note circulation	Other assets	▲Total assets
	$	$	$	$	$	$	$	$	$	$
Montreal*	693,851,521	12,753,735	1,019,423	21,821,671	533,212	68,568	22,593,396	.....	2,232,344	2,234,884,737
Nova Scotia	427,129,973	52,868,673	230,214	6,028,797	109,260	.....	24,223,469	.....	539,531	938,938,557
Toronto	297,775,604	.....	.....	7,562,550	23,967	32,561	9,097,204	.....	148,061	540,317,183
Provincial	72,078,099	.....	335	4,006,837	34,023	170,244	3,734,413	.....	293,570	193,923,518
Commerce†	636,613,871	44,237,936	212,498	18,184,223	460,820	136,501	18,617,761	.....	11,206,954	1,856,062,973
Royal†	762,255,072	139,705,526	2,375,582	17,452,189	254,878	75,699	21,227,290	.....	5,196,975	2,706,153,474
Dominion	245,877,218	2,603,537	755,573	2,314,489	30,402	9,461	8,248,846	.....	128,627	513,390,721
Nationale†	198,991,785	921,173	.....	18,488,223	22,987	.....	7,312,507	.....	120,962	496,755,337
Imperial	268,481,228	1,014,987	113,685	5,069,946	15,555	.....	8,758,459	.....	10,426	595,770,255
Barclays	9,865,113	.....	.....	.....	911	.....	1,229,668	.....	22,439	23,572,494
Total	3,542,839,484	254,105,567	4,807,300	100,982,125	1,486,635	493,134	125,143,813	.....	20,011,889	10,209,769,253

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above return.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡Includes mortgages.

▲Total assets include 177,782,517 letters of credit outstanding as shown in liabilities.

§The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the Bank of Paris and the assets and liabilities of The Royal Bank of Canada (France) are included in the above general statement.—Footnote to The Royal Bank of Canada return.

¶Banque Canadienne Nationale (France) has been incorporated under the laws of France to conduct the business of the Bank of Paris and the assets and liabilities of the Banque Canadienne Nationale (France) are included in the above general statement. — Footnote to Banque Canadienne Nationale return.

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Business Stays Good, Prices Firming In Some Areas, Purchasing Agents Say

Business to continue at a high level with slight price gains in some chemicals, possible advances in coal prices and continuing steady demand for most commodities. These are the highlights of the September commodity and business reports of the Purchasing Agents Association of Toronto. Here is a digest of the reports for various commodities, sections of the economy:

General trends: Business in Canada continues at a high level despite the uncertainty introduced the recent Korean truce. Not only has the anticipated downturn in business not materialized but substantial gains have been made over last year.

Employment has risen 2%, wages and salaries 6%, retail trade 4% and manufacturing 10%. It would appear that business activity should continue at approximately the same level for at least the remainder of the year.

However, business is becoming more competitive. While the trend to a buyer's market has not progressed as rapidly as many forecast, it's becoming more evident. Also competition from abroad is more pronounced. British and European manufacturers are continuing to expand into the Canadian market.

Foreign trade: Canada's trade showing in the first five months of this year was reversed in June when the country chalked up an export surplus of $6.8 millions in contrast with import excesses experienced in each of the preceding months of 1953.

Total exports for the period were down to $2,019.7 millions compared to $2,120.1 millions last year but well above the corresponding 1951 value of $1,762.6 millions. There was an import balance for the half-year of $201.5 millions as against an export balance of $169.8 millions a year ago and an import balance of $339.8 millions in 1951.

American goods represented 76% of total imports, jumping to $1,680 millions from $1,458 millions. Canadian exports to the U.S. advanced to $1,210 millions from $1,133 millions.

Exports of Canadian aluminum to the U.S. amounted to 100,300 metric tons in the first six months of this year, an increase of 110% over the like period in 1952.

India — Substantial relaxation of rigid Indian import controls imposed early in 1952 curtailing purchases of dollar area merchandise has been announced. A wide range of commodities previously importable into India only from soft currency countries may now be imported from hard currency nations under new quotas.

Flour — Foreign demand for flour has dropped off steadily. A number of countries on the continent are able to supply all home needs. Western Germany and France are competing in the flour export market and The Netherlands and Austria are potential exporters. Add to all of this the dollar shortage and an export problem of serious proportions may be developing.

Rails—There were 354,335 cars loaded with revenue freight on Canadian railways in June this year, an increase of 7,564 over the number loaded in June, 1952. Loadings in the first six months of this year, due to decreases in months preceding June, were 3.2% below those in the first six months of 1952.

Construction — National construction contract award figures for the first seven months of 1953, show an increase of $86 million over the same period for 1952. July showed an increase of $12.7 millions over the 1952 figure.

Demand for construction materials will remain brisk during the balance of 1953:

Steel supply is improving with the prospect of still less short items by the year-end;

Cement supply is holding up with demands at present and should be able to take care of all demands throughout the balance of 1953;

Lumber, Western timber and plywood are all in good supply at present;

Miscellaneous hardware items, construction machinery parts and building materials are all in good supply, while brick is in short supply.

Copper and brass — The price has been fluctuating between $29.63 and $29.68, such variations being dependent upon the value of the American dollar in relation to our own. Since the re-opening of the London Metal Exchange a certain amount of uneasiness has been felt, relative to price, especially in view of the large tonnage of copper that the United Kingdom holds in its stockpile.

Opinion is that copper will head downward before the end of the year in consequence buying is on a "hand to mouth" basis with inventories kept at a minimum and mills offering speedy delivery on almost all items.

Lead—The metal is now being quoted at $13.25 per 100 lbs. and the market appears to be quite strong, both here and on the London Exchange. However, there are factors which could point to a weak lead market and a drop in price. Most important of these is a considerable movement of scrap at the present price. Battery plate scrap and lead scrap are moving quite freely at prices of from 1c to 1½c per lb. below that at which they would normally sell. The price trend for the primary metal points downward.

Tin—The metal is being quoted at a slightly higher price today than it was a month ago. Present price in New York is 82¼c per lb. It is felt that the market price will fluctuate 4c to 5c per lb. up or down, but no major increase or decrease is expected unless there is a radical change in the political outlook.

Aluminum — There is still no surplus virgin ingot supply on the domestic market. Consumption in Canada holds firm and supply is in balance with defence requirements and demand from commercial primary metal consumers. On fabricated products, the high seasonal demand experienced in the first quarter has gradually declined to a more normal summer level and delivery position on sheet extrusions, tubing, etc., has improved.

Steel—All forms of flat rolled products including heavy plates, hot rolled sheets, cold rolled sheets and galvanized sheets are in extremely short supply. Canadian mills are under as much pressure as ever before, principally due to the fact that mill delivery of sheet products particularly are running six to eight weeks behind schedule.

In general, Canadian steel mills are fully booked on all heavy products for the balance of 1953 and it is likely that order books will be open for the acceptance of first quarter, 1954 tonnage about the middle of October.

Coal—The month ending August 31st, 1953, leaves us with two very important questions: the progress regarding the shutdown threatened by Mr. Lewis; and the outcome of the pending shipping strike on the Great Lakes.

It may not be advantageous for Mr. Lewis to pursue his demands any further. Already mines are closing down in preference to meeting the new rates. The U. S. production is much higher than consumer demand at present, but no doubt this will ease towards the latter part of September.

The Toronto docks are in an excellent position and prices generally remain soft. A seasonal increase can be expected in September.

Crude rubber—Prices declined during the summer months. Approximate price of No. 1 R.S.S. from the Far East—landed Canadian seaport was 23c per lb. on August 31 as compared with 26c per lb. on May 5. The recent cutback of synthetic rubber production in the United States should tend to steady crude rubber prices.

International rubber supply and demand is approaching a balanced position with the recent reduction in synthetic production in the United States. Any further important decline in the price of crude rubber is not expected.

Chemicals—Although the U. S. chemical price index has risen sharply during the past six months, price levels of Canada produced chemicals have remained fairly stable during the same period.

Products of solely Canadian origin will likely remain fairly firm in price during the next few months, subject to unforeseen variations in freight and labor costs.

Fractional increases are still occurring in the American market, such as the $2.00 per ton boost in the U. S. price of calcium chloride, which has been announced for Sept. 1.

Hard to get sulphur and polyethylene are both showing signs of easing. The U. S. export quota for sulphur has been increased for the third quarter; increased production facilities should take care of polyethylene requirements in the near future.

Paper boxes—During the summer months the demand for corrugated and fibre shipping boxes held steady, and manufacturers operated at capacity level. Deliveries are now at approximately 30 days, and expected at that rate during September and October, with perhaps a gradual softening during the winter months.

Inventories are considered low. Users of this commodity would be well advised to place their orders as far in advance as possible, so that the necessary raw materials can be alloted.

Wrapping paper — Effective Sept. 1, the price of kraft paper for converting and wrapping advanced fifty cents per 100 lbs. Mills report being booked to the end of October and buyers are advised to order their November requirements now. Multi-wall bag paper business continues to be at a high level. Consumption of wrapping paper in Canada during the first half of 1953 of some 112,000 tons was about 6,000 greater than a year ago but about 6,000 tons lower than the same period of 1951.

White pigments — Effective Sept. 1, 1953, U. S. producers of pure oxide and composite titanium dioxide pigments advanced prices on various grades. Anatase and rutile pure oxide grades advanced $1.50 per 100 lbs. and composite grades 37½c per 100 lbs., on a U. S. price basis. Additional Canadian duties, added to this advance, resulted in a total advance of $1.70 per 100 lbs. on anatase and rutile grades and 40c per 100 lbs. on composite grades, on a Canadian price basis.

Canadian produced lead carbonate and lead sulphate advanced five times in price since the writing of the last report, or a total of $1.20 per 100 lbs. on each pigment since April 20, 1953.

TRENTON, ONT., has sold $50,000 4½% 15-year debentures to Dominion Securities Corp. at 100.02, representing cost to the town of 4.4971%. Proceeds for streets ($25,000), fire ($15,000) and water ($10,000).

CALMONT OILS LIMITED

NOTICE OF SPECIAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that by Order made on the 24th day of August, 1953 The Honourable Mr. Justice Cairns, a Judge of the Supreme Court of Alberta, designated in that behalf by The Chief Justice of Alberta, has ordered that a Meeting of the Shareholders of Calmont Oils Limited be summoned for the purpose of considering and, if thought fit, agreeing, with or without alteration or modification, to the arrangement appended hereto proposed to be made between Calmont Oils Limited and its Shareholders.

The said Meeting will be held at the Palliser Hotel in the City of Calgary, in the Province of Alberta, on Monday, the 28th day of September, A.D. 1953 at 11 o'clock in the forenoon.

The said arrangement either as proposed or as altered or modified at the said Meeting will be subject to the sanction of the said Judge.

The Shareholders will also be asked to approve and authorize the execution and delivery of an Agreement between Calmont Oils Limited and Anglo-Canadian Oil Company Limited, which will be submitted to the Meeting to provide for the acquisition of assets and undertakings of Calmont Oils Limited on the basis set out in the said arrangement, with or without modification acceptable to said Anglo-Canadian Oil Company Limited, and to authorize the Directors to carry the same into effect, and also to approve all steps and proceedings of every character and nature whatsoever done or undertaken by the Board of Directors of Calmont Oils Limited or any officer thereof in connection with the acquisition of the assets and undertakings of Calmont Oils Limited by Anglo-Canadian Oil Company Limited in the terms of the said arrangement and the said Agreement.

If any Shareholder is unable to be present at the said Meeting he is requested to forward a Proxy, forms of which may be obtained by application to the registered office of the Company, 905 Lancaster Building, Calgary, Alberta, or at the office of any of its Transfer Agents, namely, the offices of The Toronto General Trusts Corporation at the Cities of Toronto, Ontario and Vancouver, British Columbia or the office of the Prudential Trust Company Limited, at the City of Calgary, in the Province of Alberta. Such Proxy must be deposited at the registered office of the Company, 905 Lancaster Building, Calgary, Alberta, not less than twenty-four hours before the time appointed for holding the Meeting.

Each of the persons named in forms of Proxy which may be so obtained have consented to act as Proxy for any Shareholder who may appoint him on terms that, if appointed, he will follow any written instructions that may be given him with respect to voting, but in the absence of such written instructions will vote the shares of the appointer in favor of the arrangement and for the approval of the said Agreement as proposed or with such alterations or modifications as may be submitted to the Meeting for which he is appointed Proxy and of which he may approve.

Shareholders may, if they wish, strike out the names of the persons named in the form of Proxy and substitute others, who should, however, be holders of shares of the capital stock of Calmont Oils Limited.

DATED at Calgary, Alberta, this 24th day of August, A.D. 1953.

D. C. RITCHIE,
Secretary.

ARRANGEMENT BETWEEN CALMONT OILS LIMITED, A BODY CORPORATE, INCORPORATED UNDER THE LAWS OF CANADA, (HEREINAFTER CALLED "THE COMPANY") AND THE SHAREHOLDERS OF CALMONT OILS LIMITED, (HEREINAFTER CALLED "THE SHAREHOLDERS") FOR THE AMALGAMATION OF THE COMPANY WITH ANGLO-CANADIAN OIL COMPANY LIMITED, A BODY CORPORATE, INCORPORATED UNDER THE LAWS OF THE PROVINCE OF ALBERTA, HEREINAFTER CALLED "ANGLO")

WHEREAS the Company's authorized capital consists of Five Million (5,000,000) shares without nominal or par value, of which Three Million, Eight Hundred and Forty-six Thousand Seven Hundred and Sixty-six, (3,846,766) shares have been issued as fully paid and non-assessable; and

WHEREAS Six Hundred and Thirty-two Thousand Five Hundred (632,500) shares of the capital stock of the Company are owned by Anglo; and

WHEREAS the Company owns Thirty-six Thousand One Hundred (36,100) fully paid and non-assessable shares of the capital stock of Anglo; and

WHEREAS pursuant to the Agreement between the Company and Anglo hereinafter referred to, the Company proposes to transfer and convey its assets and undertakings, other than the said Thirty-six Thousand One Hundred (36,100) shares of Anglo now owned by the Company, subject to liabilities, to Anglo for and in consideration of Six Hundred and Seventy-eight Thousand One Hundred and Eighty-one (678,181) fully paid and non-assessable shares of the capital stock of Anglo to be distributed among the Shareholders, other than Anglo, in the approximate ratio of One (1) share of Anglo for each Four and one-half (4½) shares of Calmont outstanding;

ARRANGEMENT

Subject to the sanctioning under the provisions of Section 122 of The Companies Act, 1934 of this arrangement by a Judge of the Supreme Court of Alberta designated by The Chief Justice of Alberta for the purpose:—

1. The Company shall transfer, assign and convey all of its assets and undertakings, other than the Thirty-six Thousand One Hundred (36,100) shares of Anglo now owned by the Company, to Anglo in consideration of:—
   (a) The allotment and issuance to the Company of Six Hundred and Seventy-eight Thousand One Hundred and Eighty-one (678,181) fully paid and non-assessable shares of the capital stock of Anglo as presently constituted; and
   (b) The surrender contemporaneously therewith to the Company for cancellation of Six Hundred and Thirty-two Thousand Five Hundred (632,500) shares of the capital stock of the Company now owned by Anglo and the reduction of the capital of the Company accordingly; and
   (c) The assumption and payment by Anglo of all liabilities of the Company including:—
      (i) All costs and expenses incurred by the Company in connection with the said acquisition by Anglo of the assets and undertakings of the Company as aforesaid; and
      (ii) Provided that all necessary acts and proceedings to that end shall be taken within six (6) months from the date of the sanctioning of this arrangement by the said Judge, all costs and expenses of the distribution to or for the benefit of the Shareholders, other than Anglo, of the shares of the capital stock of Anglo now held by the Company and those to be received by the Company under the terms of this arrangement; and
      (iii) The surrender of the Company's Charter following such distribution.

all as set out and provided for in an Agreement to be entered into between the Company and Anglo and to be submitted to the Meeting of the Shareholders at which this arrangement shall be presented for consideration and approval, hereinafter referred to as "the said Agreement".

2. The Directors of the Company shall receive the said Six Hundred and Seventy-eight Thousand One Hundred and Eighty-one (678,181) fully paid shares of the capital stock of Anglo to be allotted and issued to the Company pursuant to this arrangement and shall carry out the Company's obligations under the said Agreement, and in particular shall execute and deliver, or cause to be executed and delivered, for and on behalf of the Company, such assignments, conveyances, transfers and assurances as may be necessary to complete the transfer, assignment and conveyance of the Company's assets and undertakings to Anglo as provided for in the said Agreement.

3. The rights of the Shareholders of the Company are hereby arranged in such manner and to such extent that such rights shall consist solely of the right to receive from the Company shares in the capital stock of Anglo now held by the Company or to be received by the Company pursuant to the said Agreement (after the cancellation of the shares of the capital stock of the Company now held by Anglo as aforesaid) against surrender to a Registrar or Transfer Agent of the Company of Certificates for shares of the Company held by the Shareholders in the approximate ratio of One (1) share without nominal or par value of the capital stock of Anglo for Four and One-half (4½) shares without nominal or par value of the Company registered in the name of the Shareholders, provided that no Certificates for fractional shares shall be issued, but all such fractions shall be accumulated and sold and the proceeds of the sale thereof, less costs of sale, shall be distributed among the Shareholders of the Company, who, but for this proviso, would have been entitled to fractional shares.

4. The Directors shall give notice to the Shareholders of the Company in such manner as they may prescribe calling in the outstanding Share Certificates of the Company and fixing the time and specifying the places at which the exchange of shares of the Company for shares of Anglo may be effected.

5. Any shares of Anglo which shall remain in the hands of the Company unexchanged for shares of the Company at the expiration of three (3) months from the date fixed for such exchange shall be transferred to the Montreal Trust Company, and such shares and any dividends paid thereon shall be held by said Montreal Trust Company at its office in the City of Calgary in trust for the Shareholders of the Company entitled thereto under the terms of this arrangement, and if at the expiration of two years after such transfer there shall remain in the hands of the said Montreal Trust Company any such shares of Anglo, said Montreal Trust Company shall be empowered upon request of the Directors of Anglo made at any time or from time to time thereafter to sell such shares or any part or parts thereof and to distribute the proceeds of sale, less costs of sale and the Trustee's proper charges, together with any dividends on such shares accumulated in its hands to the persons appearing from the records of the Company to be entitled thereto and the shares thereafter to be distributable to Shareholders of the Company under this arrangement shall be reduced in the proportion which the shares so sold shall bear to the aggregate number of shares transferred to said Montreal Trust Company under the terms thereof; all charges and expenses of said Montreal Trust Company for acting in the premises shall be a charge upon and paid out of monies accumulated in its hands from time to time while acting in the trusts hereby provided for.

6. When distribution of the Anglo shares shall have been made to the Shareholders of the Company and/or any Anglo shares remaining in the hands of the Company shall have been transferred to Montreal Trust Company in accordance with the provisions of Clause 4 hereof, the Company shall make application for surrender of its Charter.

7. The Directors of the Company shall be authorized to make such arrangements, if any, as may be necessary with creditors of or persons having or alleging to have any claim, present or future, certain or contingent, or otherwise against the Company, to accept in lieu and in addition thereto the obligation or undertaking of Anglo given to the Company under the terms of the said Agreement.

8. The Directors of the Company may consent to such amendments, modifications and additions to the said Agreement as they may from time to time approve, and which in the judgment of the Directors do not materially and adversely affect the rights of the Shareholders under this arrangement (exclusive of any modification which would result in a reduction of the number of Anglo shares distributable to the Shareholders pursuant to this arrangement) including without limiting the generality of the foregoing any extension of time for carrying out the terms of the said Agreement or for taking any particular step or proceeding thereunder.

9. The Board of Directors and Officers of the Company may do anything which they deem expedient or necessary, with advise of Counsel for the Company, to carry into effect the terms and provisions of this arrangement and the said Agreement including the application for Order of a Judge and Supplementary Letters Patent sanctioning and confirming this arrangement under the provisions of Section 122 of The Companies Act, 1934 and the surrender of this Company's Charter under Section 29 of the said Act.

10. The Company may by Resolution of its Directors assent to any alteration or modification of this arrangement which a Judge of the Supreme Court of Alberta or the Shareholders at a Meeting called to consider this arrangement may direct or approve. The words "this arrangement" where used herein shall be read to include this arrangement as so altered or modified.

DATED at Calgary, in the Province of Alberta, this 24th day of August, A.D. 1953.

CALMONT OIL LIMITED
Per: "G. E. Watt"
President (Seal)
"D. C. Ritchie"
Secretary

APPROVED
ANGLO-CANADIAN OIL COMPANY LIMITED
"J. G. SPRATT"
(Seal) President
"JOHN J. GRABER"
Secretary

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DIVIDEND NOTICES

BARYMIN COMPANY LIMITED

DIVIDEND No. 14

NOTICE IS HEREBY GIVEN than an interim dividend of ten cents per share has been declared by the Directors of the Company, payable in Canadian funds, on October 10, 1953, to shareholders of record at the close of business September 10, 1953.

By Order of the Board.

W. W. McBRIEN,
Secretary-Treasurer.

August 28, 1953.

LAKE SHORE MINES LIMITED

(No Personal Liability)

DIVIDEND NO. 130

NOTICE is hereby given that a dividend of Ten Cents per share on the issued capital stock of the Company, will be paid on the fifteenth day of December, 1953, to shareholders of record at the close of business on the sixteenth day of November, 1953.

By order of the Board.

G. F. DOGGETT,
Secretary

Dated at Kirkland Lake, Ontario, August 29, 1953.

MOUNTROY LIMITED

Dividend Notice

Notice is hereby given that a dividend of Fifteen Cents (15c) per share has been declared on the Common Shares of the Company, payable October 1, 1953, to shareholders of record at the close of business September 15, 1953.

By Order of the Board,

J. R. HUGHES,
Secretary.

Montreal, September 4, 1953.

NOTICE

Anglo-Newfoundland Development Company, Limited

DIVIDEND NO. 31

NOTICE is hereby given that the Second Interim Dividend in respect of the year 1953, at the rate of Fifteen cents (15c) for each Five dollar ($5.) unit of the outstanding Ordinary Stock of the Company, has been declared payable on the Second day of October, 1953, to stockholders of record at the close of business on the Fourth day of September, 1953.

By Order of the Board.

J. S. GOODYEAR,
Secretary-Treasurer.

THE SHERWIN-WILLIAMS COMPANY OF CANADA, LIMITED

Notice is hereby given that the one hundred and sixty-ninth quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum, for the quarter ending August 31, 1953, on the Preferred Stock of the Company, has been declared payable October 1, 1953, to shareholders of record September 10, 1953.

By Order of the Board.

P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Quebec.
September 3, 1953.

CANADA STEAMSHIP LINES LIMITED

A dividend of fifty cents per share on the no par value common shares of Canada Steamship Lines Limited, covering the six months period ended June 30, 1953, was declared, payable October 15, 1953, to Shareholders of record September 11, 1953.

Dated at Montreal, this 31st day of August, 1953.

N. F. HOWELL,
Secretary.

BRITISH COLUMBIA POWER CORPORATION, LIMITED

DIVIDEND No. 101

NOTICE is hereby given that a dividend of Forty cents (40c) per Share on Class "A" Shares has been declared for the three months ending 30th September, 1953, payable by cheque dated 15th October, 1953, to shareholders of record as at the close of business on 30th September, 1953.

By Order of the Board,

J. A. BRICE,
Secretary.

Vancouver, B.C.
27th August, 1953.

Canadian Bronze Company Limited

DIVIDEND NOTICE

The Quarterly Dividend of 1¼% on the PREFERENCE STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 2nd day of November, 1953, to Stockholders of record as of the 9th day of October, 1953.

Also a Quarterly Dividend of Thirty-one (31c) Cents per Share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending October 31st, 1953. Payable the 2nd day of November, 1953, to Stockholders of record as of the 9th day of October, 1953

By Order of the Board.

W. C. PAQUETTE,
Secretary.

Montreal, P.Q.,
September 2nd, 1953.

MAILMAN CORPORATION LIMITED

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a Dividend of twenty-five cents (25c) per share has been declared on the outstanding Cumulative Convertible Priority Shares of the Corporation for the quarter ending July 31st, 1953, payable September 30th, 1953, to Shareholders of record at the close of business on September 17th, 1953.

NOTICE IS HEREBY ALSO GIVEN that a dividend of One Dollar and Twenty-five cents ($1.25) per share has been declared on the outstanding Preferred shares of the Corporation for the quarter ending October 31st, 1953, payable October 31st, 1953, to Shareholders of record at the close of business on October 15th, 1953.

By Order of the Board,

W. S. MONTGOMERY,
Secretary.

MONTREAL,
August 31st, 1953.

DIVIDEND NOTICES

CANADA PERMANENT MORTGAGE CORPORATION

NOTICE is hereby given that a Dividend of Sixty Cents per share on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable Thursday, the First day of October next, to Shareholders of record at the close of business on the Fifteenth day of September, 1953.

By Order of the Board.

J. W. ROSE, JR.,
Secretary.

Toronto, August 12th, 1953.

COMMAND OILS LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of 8c per share has been declared on the outstanding no par value shares of the Company, payable on or after September 28, 1953, to shareholders of record at the close of business September 11, 1953. The transfer books of the Company will not be closed.

By Order of the Board.

G. J. McKAY,
Secretary.

August 27, 1953.

COMMONWEALTH PETROLEUM LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of 35c per share has been declared on the outstanding no par value shares of the Company, payable on or after October 15, 1953, to shareholders of record at the close of business September 30, 1953. The transfer books of the Company will not be closed.

By Order of the Board,

G. J. McKay,
Secretary.

August 27, 1953.

NOTICE OF DIVIDEND

JOHN LABATT LIMITED

Notice is hereby given that Dividend No. 35 of twenty-five cents per share has been declared on the outstanding no par value common stock of the Company, payable on the First day of October, 1953, to shareholders of record the Fifteenth day of September, 1953.

By Order of the Board:

W. L. SHORTREED,
Secretary.

London, Ont., Aug. 31, 1953.

CATELLI FOOD PRODUCTS LIMITED

Preferred Dividend Notice No. 1

Notice is hereby given that a dividend of one Cent (.01c) per share, being at the rate of 1% per annum, has been declared on the $1.00 par value Non-Cumulative Redeemable Preferred Shares of the Company for the fiscal year ending November 30th, 1953; payable September 30th, 1953, to shareholders of record on September 20th, 1953.

By Order of the Board.

ROMEO DESJARDINS,
Secretary-Treasurer.

SOUTHERN CANADA POWER COMPANY, LIMITED

The Board of Directors has declared the following dividends:

6% Cumulative Participating Preferred Stock

No. 135, quarterly, $1.50 per share; plus additional 80c per share participation rights for fiscal year ended September 30th, 1953; payable October 15th, 1953, to holders of record at the close of business on September 18th, 1953.

No par value Common Stock

No. 114, quarterly, 45c per share, payable November 16th, 1953, to holders of record at the close of business on October 20th, 1953.

V. J. NIXON,
Secretary.

Montreal, August 28th, 1953.

BRITISH COLUMBIA ELECTRIC COMPANY LIMITED

CUMULATIVE REDEEMABLE PREFFERRED SHARES

NOTICE is hereby given that the Board of Directors has declared the following dividends for the three months ending 30th September, 1953.

4% Cumulative Redeemable Preferred Shares

No. 26, $1.00 per share, payable on 1st October, 1953. The said dividend will be payable on or after said date in respect of shares specified in any share warrant on presentation of dividend coupon No. 26 at any branch of The Royal Bank of Canada in Canada.

4½% Cumulative Redeemable Preferred Shares

No. 20, $1.19 per share, payable on 1st October, 1953. The said dividend will be payable on or after said date in respect of shares specified in any share warrant on presentation of dividend coupon No. 20 at any branch of The Royal Bank of Canada in Canada.

5% Cumulative Redeemable Preferred Shares

No. 4, $0.62 per share payable on 1st October, 1953. The said dividend will be payable on or after said date in respect of shares specified in any share warrant on presentation of dividend coupon No. 4 at any branch of The Royal Bank of Canada in Canada.

BY ORDER OF THE BOARD,

J. A. BRICE,
Secretary.

Vancouver, B.C.
27th August, 1953.

DIVIDEND NOTICES

QUEBEC TELEPHONE CORPORATION

DIVIDEND NOTICE PREFERRED SHARES

NOTICE IS HEREBY GIVEN that a quarterly dividend of 25c per share has been declared on the outstanding 5% Cumulative Sinking Fund Redeemable Preferred Shares, payable October 1st, 1953, to Shareholders of record at the close of business, on September 10th, 1953.

P.-E. GAGNON,
Secretary.

RIMOUSKI, Que.,
September 1st, 1953.

QUEBEC TELEPHONE CORPORATION

DIVIDEND NOTICE CLASS "A" SHARES

NOTICE IS HEREBY GIVEN THAT a semi-annual dividend of 37c per share has been declared on the outstanding Class "A" shares, payable October 1st, 1953, to Shareholders of record at the close of business on September 10th, 1953.

P.-E. GAGNON,
Secretary.

RIMOUSKI, P.Q.,
1st September, 1953.

LOWER ST. LAWRENCE POWER COMPANY

DIVIDEND NOTICE PREFERRED SHARES

NOTICE IS HEREBY GIVEN that a quarterly dividend of 25c per share has been declared on the outstanding 5% Cumulative Sinking Fund Redeemable Preferred Shares, payable October 1st, 1953, to Shareholders of record at the close of business, on September 10th, 1953.

P.-E. GAGNON,
Secretary.

RIMOUSKI, Que.,
1st September, 1953.

McCOLL-FRONTENAC OIL COMPANY LIMITED

"PREFERRED STOCK DIVIDEND NO. 29"

NOTICE IS HEREBY GIVEN that a Dividend of $1.00 per share being at the rate of 4 per cent per annum has been declared on the 4% Cumulative Preferred Stock of McColl-Frontenac Oil Company Limited for the quarter ending September 30, 1953, payable October 20, 1953, to shareholders of record at the close of business on September 30, 1953.

By Order of the Board.

FRED HUNT, F.C.I.S.,
Secretary.

Bird Construction Company Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of Fifty (50c) cents per share as previously declared on the Company's outstanding Common shares, will be paid on September 30th, 1953, to shareholders of record on the books of the Company as at the close of business September 15th, 1953.

By Order of the Board.

JOHN LAWRIE,
Secretary-Treasurer.

Winnipeg, Manitoba,
September 1st, 1953.

CANADIAN FOOD PRODUCTS LIMITED

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of $1.12½ per share on the 4½% Cumulative Convertible Redeemable Preference Shares of the Company has been declared payable on October 1, 1953, to holders of record at the close of business on September 10, 1953.

By Order of the Board.

H. L. SLATER,
Secretary-Treasurer.

TORONTO, Ontario,
September 1st, 1953.

Sun Life Assurance Company of Canada

Head Office: Montreal

DIVIDEND NOTICE

Notice is hereby given that a dividend of seventy-five cents (75 cents) per share on the Capital Stock of the Company has been declared for the quarter ending September 30th, 1953, and will be paid on October 1st, 1953, to shareholders of record at the close of business September 15th, 1953.

The Stock Transfer books of the Company will be closed from September 16th to September 30th, both dates inclusive, for the preparation of the above dividend.

By Order of the Board,

F. J. CUNNINGHAM,
Secretary.

Montreal,
September 2, 1953.

British Columbia Telephone Company

ORDINARY DIVIDEND

Notice is hereby given that a quarterly dividend of 50c per share has been declared on the outstanding Ordinary Shares of the Company, payable on October 1st, 1953, to shareholders of record at the close of business on September 16th, 1953.

By Order of the Board,

R. W. J. ANGUS,
Secretary.

Vancouver, September 2nd, 1953.

WESTERN GROCERS LIMITED

NOTICE OF DIVIDENDS

Notice is hereby given that the following dividends have been declared payable October 15th, 1953, to shareholders of record September 15th, 1953;

Thirty-five cents per share on the Preferred Shares $20 par $1.40 Series;

Fifty cents per share on the Class A shares.

EBEN GOVAN,
Secretary

Winnipeg, Man.,
August 31st, 1953.

How Get the Most For School Building Dollar?

An Architect Takes a Look At High Cost of Education

Nothing much can be done to reduce school building costs says Alvin R. Prack, vice-president of the Ontario Association of Architects. But in a recent address to the Urban and Suburban School Trustees Association of Ontario he had a number of tips on getting the most for the school building dollar. Here is a digest of his address:

By ALVIN R. PRACK

Since the war, accommodation for 200,000 additional pupils has been provided in Ontario at a cost of $156 millions. In this tremendous program, the school architect has constantly striven for greater economies.

The monumental school building has been replaced by a refreshingly functional building which the public have learned to appreciate. The cubic content has been kept to a minimum by efficient planning, lower roof lines and by providing multi-purpose accommodation. Structural elements are being used as finished surfaces and by careful selection of construction materials, the erection time has been materially reduced.

You are getting the greatest value that rising construction costs will permit. A large secondary school in Hamilton, tendered during the inflationary period of 1929, cost $8.14 per square foot. By using the construction cost index, for the period, that building today would have cost $19.63 per square foot, while similar accommodation was provided two years ago in Hamilton for $11.90 per square foot. Schools today are being constructed much more economically than before the war. There remains little to do in the field of cost reduction.

We have not been able to provide industrialists with the same economies for their buildings seldom go beyond the basic essentials.

This is not to imply that we should rest upon past accomplishments. We should be ever vigilant of waste.

Be sure that the prescribed areas are a minimum and that they will be required at least for the lifetime of the debenture. Take a firm stand with those sincere individuals who demand more space and equipment. Let them know that debenture debts must be paid and that some day their demands may prompt a reduction in their own salaries. It has been said that teachers can become slaves to space and equipment.

We must carefully consider each item. For example, the chalkboards in an elementary school cost approximately 0.8%; of the total building; metal toilet partitions may cost 0.5%; classroom floor finishes may cost 2.8% and glass block 1.2%. Yet these are the kind of savings you must carefully consider.

Remember that $1,000 will cost the community about $1,600 by the time the debenture is retired.

You have wondered why a standard classroom costs so much more than an average house of equal area. Remember the cost of a classroom includes many services and areas beyond the walls of the classroom. The differential would not be as great if the square foot or cubic foot unit cost were used. Finish materials in a school are also much more durable and therefore more expensive. Ceiling heights are greater and there is more window area and, generally, spans are greater.

Time and geography have a great deal to do with the cost of a building. Tenders should be called at a time of year which will permit the contractor to build under the most favorable climatic conditions or at a time that will allow the contractor to close in the building before cold weather. Excavating, concrete and masonry work are much more expensive in cold weather. It not only costs more to heat materials and protect the work but labor is less industrious and the work suffers during cold weather.

Another time consideration would be the amount of work tendering contractors have on hand. Many construction projects are scheduled to start in the spring and if you can call for tenders before these are announced you will enjoy lower prices than those received later in the season.

A small community may enjoy very low prices, while a community of similar size near a large city may suffer.

The first community may have a contractor using non-union trades. He not only saves money on wages, but his men will work nine to 10 hours a day. The non-union carpenter is free to work at other trades; for example, if there is a delay in the receipt of lumber, he will work with a shovel or perhaps do some cement finishing. This will reduce the period of construction and materially reduce the overhead and ultimate cost.

The second community near the large city will not have a contractor capable of the work, for everytime a building of any consequence is considered the large contractors from the city are brought in. The school board will also have to use city contractors and they will not only pay union wages, but they will also pay from 10% to 18% more for traveling time, depending on distance.

It is interesting to note how material prices have decreased while wage rates have continued to advance. This has indicated to the architect that he must design with as much shop fabrication as possible. The larger the unit and the ease with which it is installed, the greater will be the saving.

Architects have used prefabricated sandwich wall construction with the insulation between metal or precast concrete. Precast concrete units have been installed in one piece the length of the classroom. Cost of the material is greater than masonry but savings are made due to the speed of erection. Sash manufacturers are also supplying larger units requiring a limited amount of field fabrication and therefore providing greater economies.

I don't think it will be long before precast Haydite and concrete manufacturers develop their slabs with sufficient acoustical properties on the underside to permit their use as exposed classroom ceilings. Use of exposed Celocrete or Haydite blocks in classrooms has materially reduced need of acoustical treatment at the ceilings.

Use of structural elements as finished surfaces will not permit the concealment of piping, particularly in two story buildings. This is a great advantage in the maintenance of the mechanical work and I do not consider exposed piping detrimental to the function of the school building.

Heating and ventilating should be kept as simple as possible. The most expensive system can be fouled by the individual who requires fresh air through an open window. The janitor must be capable of maintaining the equipment.

Someone will ask about the costs of one and two-story schools. It has been found that 12 classrooms and under are cheaper to build as a one story building, but beyond that area the two story building is cheaper, due to the extra roofing and foundations. The larger the area the more easily stair and service areas can be absorbed in the multi-story building.

It would be well to investigate each project with due consideration to property values, ease of expansion if required, safety, supervision and maintenance.

A submission was made this year by the Ontario Municipal Association that the Minister of Education should have a standard set of plans for schools varying in size from two to eight rooms and eliminate a large amount of the present cost of preparing plans.

Even if such a scheme were workable, it is not the way to reduce construction costs for you are only dealing with 3% or 4% of total cost. Supervision of construction, checking shop drawings, approval of accounts and interpreting drawings and specifications must be performed and must be charged to the work. The Department would probably make a charge for the drawings, which would have to be adjusted to meet site requirements.

If such a scheme had been functioning since the war, the economies you now enjoy could not have been developed. Each new school has been a challenge to the architect for greater economy, better construction and to provide the ultimate in the ever-changing requirements of our educational system.

In a report by the California Council of Architects, it was noted that 15 states tried and abandoned stock plans for schools.

TV Boon, Not Ban To Sports Cash A Balm To Losing Club

Does TV coverage of sports hurt gate receipts?

An old question but the answer's still no, says Seymour Mintz, vice-president (advertising) of Admiral Corp. In fact, he adds, TV can help a losing team over its financial hurdles.

Mr. Mintz and his firm aren't mere interested spectators; Admiral makes TV sets and also buys plenty of TV ad time. But their figures are convincing.

Last year Canadian Admiral sponsored telecasts of 12 Montreal Alouette games. The Alouettes didn't do so well; in '51 they won only three games; in '52 they lost every game until they were eliminated.

In spite of their losing season, the Alouettes drew 96,000 fans last year, not very far below the 106,000-fan attendance in '51. But the drop in gate receipts was $18,400 after taxes.

By selling TV rights to the games, Mr. Mintz says, the club picked up $10,000 for six home games and another $2,500 for six away games. It cut their gate-receipt drop to $5,900.

Then Mr. Mintz points to the TV rights to all Montreal Royals hockey games which Canadian Admiral snapped up last season.

He says only two of the seven teams in the QSHL, Quebec and Shawinigan Falls, felt a slight drop in attendance — but they were both far outside the Montreal TViewing area.

Montreal, on the other hand, drew 208,928 fans last season compared with 197,717 in '51-'52. Valleyfield, close to the Montreal TV area, admitted 55,286 last season, a sizeable jump from 50,411 the season before.

"A first class sports event will attract paying customers in the face of full television and radio coverage—a mediocre event won't even enjoy high attendance with TV blacked out," Mr. Mintz says.

Canadian sports promoters still have a pessimistic view of TV coverage, he adds. But it looks as though they're changing their minds.

DIVIDEND NOTICES

ANGLO-CANADIAN PULP AND PAPER MILLS, LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of fifty cents ($.50) per share has been declared on the outstanding shares of the capital stock of no par value of this company, payable out of earned surplus on the seventh day of October, 1953, to shareholders of record at the close of business on the fifteenth day of September, 1953.

By Order of the Board.

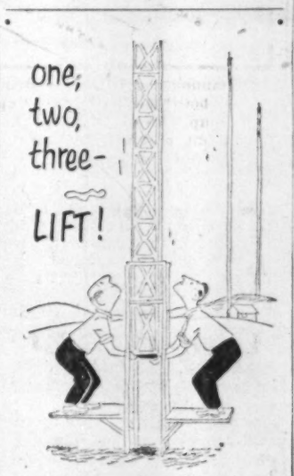
H. D. RUTHMAN,
Secretary.

QUEBEC, P.Q.,
September 2, 1953.

Brazilian Traction Services Increased

All services of Brazilian Traction, Light & Power Co. were increased in the first seven months of 1953, as compared with the same period last year. Number of telephones in service at July 31, 1953, was 530,493, an increase of 35,154 or 7.1% since the same date a year ago.

Electric power sales in the seven-month period were 2,646,873,116 kwh, 1.8% greater than the 2,598,992,019 sold in the corresponding 1952 period. Sales of gas totaled 5,184,623,876 cu. ft. in the first seven months of this year, up 3% from 5,033,171,497 in the same period of last year.



How WOULD *you* build a 200-foot television tower without a single construction worker leaving the ground.

Here's how Bell Telephone Company did it. They made eight-foot tower sections out of aluminum tubing. Then they placed the first section within a base on the ground. Next they hoisted that section and fastened another section *underneath* it. They kept on repeating the process — raising the completed part off the ground by means of a hand winch. One test tower was dismantled and re-erected on another site, all in one day. Just goes to show that we live in an age of speed — *and aluminum.* Aluminum Company of Canada, Ltd. (Alcan)

Grain Prices

Chicago Futures

Week to September 7, 1953

Crop year from Aug. 1, 1952 High	Low		High for week	Low for week	Close Sep. 7
		Wheat—			
2.47¼	1.75	Sept.	1.91½	1.85½	1.90½
2.40¼	1.87	Dec.	1.97	1.94	1.95¾
2.37¼	1.85¼	Mar.	2.00	1.94½	1.98
2.21	1.86¼	May	1.98½	1.93¼	1.96¼
1.94¼	1.88¼	July	1.94¼	1.88¼	1.89¾
		Corn—			
1.76¼	1.43¼	Sept.	1.56¾	1.52¼	1.55¼
1.64¼	1.33¼	Dec.	1.48¼	1.43	1.46¼
1.57¾	1.37	Mar.	1.52¼	1.47¼	1.49¾
1.53¼	1.38¼	May	1.53¼	1.48¼	1.51¼
		Oats—			
.84¾	.68	Sept.	.74¾	.71¼	.73¾
.79¾	.71¼	Dec.	.76¼	.72¾	.75¼
.79¼	.72¾	Mar.	.75¼	.74¼	.75¼
.78	.70¾	May	.74	.72¼	.72¾
.79¾	.68	July	.79¾	.68¼	.68¾
		Rye—			
2.04	1.01	Sept.	1.08¼	1.01	1.03
1.79¼	1.07¼	Dec.	1.15	1.07¼	1.13¾
1.59¾	1.31¼	Mar.	1.20¼	1.16	1.16¾
1.53¾	1.16¼	May	1.23	1.16¾	1.21¼
1.25	1.19¼	July	1.25	1.19¼	1.23¾
		Soybeans—			
Sept.			2.62¼	2.54¾	2.59
Nov.			2.59	2.51¾	2.54¾
Jan.			2.62	2.54	2.57
Mar.			2.63	2.55	2.57¾
May			2.63	2.54¾	2.57

Chicago Cash

	For Week Sep. 7 High	Low	Prev. week High	Low
Corn—				
2 Yell.	1.68	1.67	...	...
Oats—				
1 H. Wh.	.81¼	.80¼	.81	.79¼

Winnipeg Futures

Week to September 7, 1953

Crop year from Aug. 1, 1952 High	Low		High for week	Low for week	Close Sep. 7
		Oats—			
.77¼	.68¼	Oct.	.72¼	.69¼	.72
.77¼	.67¼	Dec.	.69¼	.67¼	.69¼
.72¼	.67¼	May	.69¼	.68	.69¼
		Barley			
1.20¾	1.07¾	Oct.	1.10¼	1.09¾	1.10¼
1.15¼	1.03	Dec.	1.06¼	1.03¾	1.04¾
1.11¾	1.03¼	May	1.06¼	1.03¾	1.04¼
		Rye—			
1.74	.97¾	Oct.	1.05¼	.98	1.04¾
1.53	.98¼	Dec.	1.05¼	.99 1/8	1.05¼
1.32¼	1.03¼	May	1.10¼	1.04¼	1.09¾
		Flax—			
3.20¼	2.76¼	Oct.	2.96	2.92¼	2.93¾
3.13	2.75	Dec.	2.88	2.85	2.86¾
2.94¾	2.80¼	May	2.91¾	2.88¾	2.89¼

Winnipeg Cash

	For Week Sep. 7 High	Low	Prev. week High	Low
Oats—				
2 C. W.	.73¼	.72	.73¼	.71¼
3 C. W.	.70	.69	.71¼	.68¼
Barley—				
1 Feed	1.07¼	1.06¼	1.10¼	1.06¼
2 Feed	1.06¼	1.06	1.09¼	1.05¾
1 Malt	1.20¼	1.24	1.26¼	1.22¼
Rye—				
2 C. W.	1.04	.99¾	1.00¾	.97¼
1 C. W.	1.04	.99¾	1.00¾	.97 3/8

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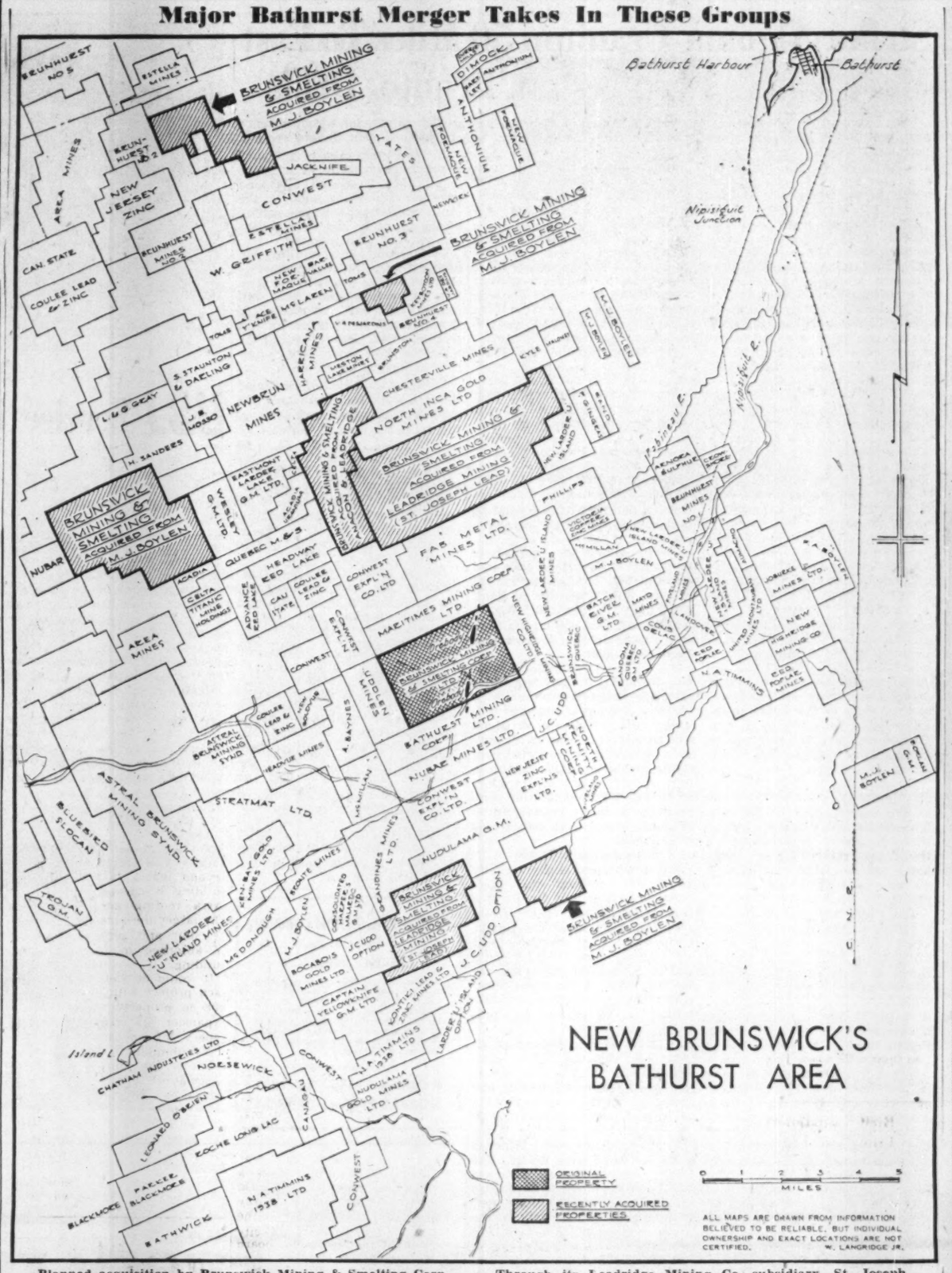
Major Bathurst Merger Takes In These Groups



Planned acquisition by Brunswick Mining & Smelting Corp. of both the Bathurst camp's significant Anacon-Leadridge group with its huge lead-zinc ore body and close to 500 other claims of Leadridge, M. J. Boylen and associates, has now laid the foundation for one of Canada's greatest mining enterprises.

Through its Leadridge Mining Co., subsidiary, St. Joseph Lead Co. has already agreed to provide $7.5 millions by way of loan and this can be subordinated to much larger financing later on. A new harbor, 50-mile railway and townsite are in the plans as well as large-scale ore processing facilities.
(For further details see story on Page 1.)

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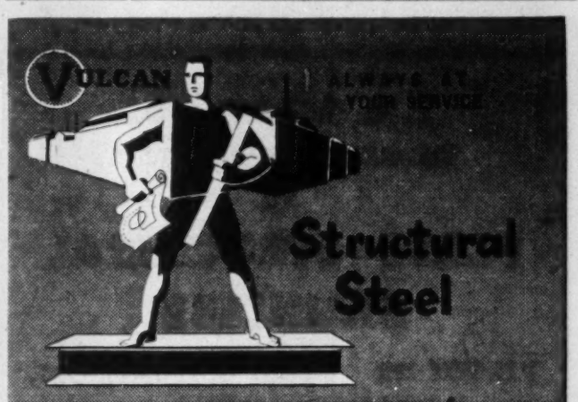

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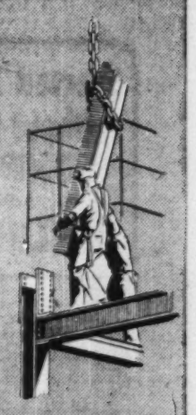

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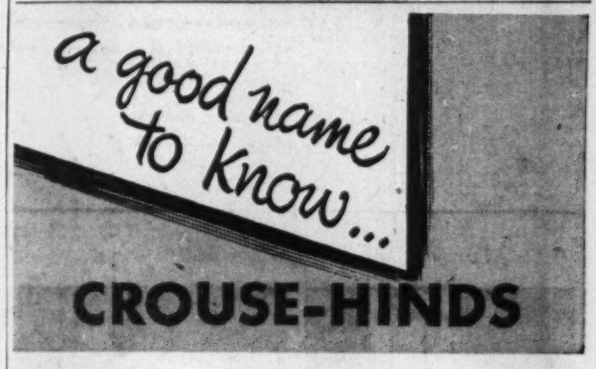

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OIL PRODUCTION

Alberta Sept. Allowables Approximate August Level

From Our Own Correspondent

CALGARY—Market allowables for Alberta wells in September will hold close to the August record of 274,900 bbls. daily at 274,271 bbls. daily for the month.

Redwater will produce an average of 67,469 bbls. daily against 79,942 bbls. for August 78,293 bbls. for July.

Leduc-Redwater will produce an average of almost as much as Redwater — 69,508 bbls. daily against August's 70,901 bbls. and July's 69,392 bbls.

The growing Bonnie Glen field will produce an average of 29,078 bbls. in September, it's expected, as compared with 28,121 bbls. in August, 22,680 bbls. for July.

Nearby Wizard Lake will also turn out a substantial quantity of oil—13,551 bbls. daily for September vs. 13,715 bbls. and 12,554 bbls. for the August and July periods respectively.

• • •

August was the most active month to date in 1953 for the western oil industry as far as drilling was concerned.

During the month, 122 wells indicated commercial production, 23 potential natural gas production and 84 wells were abandonments. There was a single well more completed than in previous record month of July and an average of 7.38 wells drilled per day. To the end of August, the year 1953 has seen 797 new oil wells, 114 gassers and 505 dry holes.

Alberta accounted for 58% of August completions with Saskatchewan completions amounting to no less than 32.7%. Back in January, 63% of the wells were completed in Alberta, only 29% in Saskatchewan.

• • •

Amurex Oil Development Co. has recovered an encouraging show of medium gravity crude oil from the Canyon Springs zone in the Jurassic at its Moser test on **Albercan Oil Corp.** farmout lands in the southwestern sector of Saskatchewan.

The Williston Oil & Gas-Bobjo Mines team has indicated Madison oil at an initial exploratory effort in the Forget area of southeastern Saskatchewan. Located three miles northeast of the Tide Water Forget No. 1 well and 2¾ miles northeast of Forget Crown No. 10-11 driller, the latest success did not give large oil recoveries on drillstem tests but has a typical big Madison thickness of the Williston basin type.

Imperial Oil production for June, 1953, was 2,907,139 bbls. (gross) from 1,387 wells bringing six months' gross to 14,031,211 bbls. Present large allowables suggest higher production figures will prevail for the latter half of the year.

Opemiska Gets Ventures Loan

An increase in capitalization plus new financing arrangements with Ventures Ltd. were approved by shareholders of Opemiska Copper Mines at annual and special meetings.

Authorized share capital was lifted from five million to six million shares. In return for granting Opemiska a loan of up to $600,000, Ventures Ltd. will have the privilege of purchasing within one year the percentage of new shares the company would ordinarily be entitled to purchase on a basis of one new share at $1 for each 10 shares held. Stockholders will be offered 500,000 shares on this basis and the remaining 500,000 will be held in the treasury.

Increased costs and unforeseen expenditures necessitated the higher capitalization since funds on hand became inadequate to complete preparations to bring the property into production.

J. P. Millenbach, vice-president and general manager, told shareholders that good progress is being made on construction and machinery installation and production is scheduled to start Dec. 1. The road to the mine was finished in July. Failure to complete the road on schedule delayed construction and installation.

At present copper price an operating profit of about $2 millions is expected to be realized on the basis of 375 tons milled daily, Mr. Millenbach said.

Merrill Contract Drilling Grosses Close To Million

A net income from contract drilling before depreciation and administrative expense of $911,834 is reported by Merill Petroleums for the year ended June 30, 1953. The Cascade drilling subsidiary had its ninth rig in operation for only the last six weeks of this period. The company had net working capital of $2,425,000 at June 30.

In a progress report to shareholders, Merrill reports on exploratory and development activity in the Pembina, Homeglen, Hamilton Lake and Central Alberta areas.

In the Pembina sector, a step-out location has been selected on a reservation No. 1109 where Socony-Seaboard-Merrill group discovered cardium sand oil with Merrill holding a 10% interest. The results of this test will enable the group to make an intelligent lease selection. The discovery well is on production with an allowable of 165 bbls. a day, with this oil sold in Acheson at $2.65 a bbl. delivered. The Trans-Mountain pipeline passes within 20 miles of the property.

Calvan-Merrill-Homeglen No. 1-32 is drilling at 5,900 ft. at a location 1½ miles north of the discovery well in which California Standard encountered 460 ft. of D3 wet gas zone as well as a 35 ft. oil column. A 33 1/3% interest is held in the well and 160 acres.

At Hamilton Lake, Merrill is participating in a 12-well program in an area where five wells have been completed, one of which is a successful oil well, while two others encountered gas.

As at July 30, 1953, Merrill held 5,372,961 gross acres of mineral rights representing a net interest of 699,287 acres.

COMPANY REPORTS

CALMONT OILS has notified shareholders that a special meeting has been called for Sept. 28 to consider an offer for the company's assets from Anglo-Canadian Oil Co. which would permit a distribution of one Anglo-Canadian share for each 4½ Calmont shares outstanding.

Anglo-Canadian is already a large Calmont shareholder, owning 632,500 shares, while Calmont holds 36,100 Anglo-Canadian shares. G. E. Watt, Calmont president, in recommending acceptance of the offer says it is increasingly difficult for a small company to compete in the oil industry and that the merger would make available Anglo-Canadian engineering experience and mean a distribution of dividend-paying stock. Calmont's managing director, it is noted, has announced his intention to retire.

During the year ended May 31, 1953, 194,000 shares were issued to Anglo-Canadian and associates at $1.50 a share. The company participated in drilling of wells in the Pekisko, Golden Spike, Camrose, Drumheller, Wainwright, Twining, Rochester and Rimbey areas in Alberta and shared in drilling seven wells in Manitoba. Success was met with in the Twining, Rochester and Rimbey areas.

CALMONT OILS LTD.
CONS. INCOME ACCOUNT

Years Ended May 31:	1953	1952
Net production	$970,732	$908,736
Int., roy. etc.	28,826	23,369
Sale of invest.	1,358	163,307
Miscellaneous	19,683	24,747
Total rev.	1,020,599	1,120,159
Less: Oper. exps.	751,574	686,476
Depr. & depl.	48,600	46,368
Amort.	20,128	58,578
Leases w/o	2,173	2,275
Exploration exp. & dry holes	162,310	306,000
Non-prod. prop. exp.	33,644	.....
Net prof. & surp.	1,625	20,462
Earned per share	$0.0004	$0.006

CONS. CONDENSED BALANCE SHEET As at May 31:	1953	1952
Cash	$265,670	$387,541
Deposits	.....	500,000
Mkt. secs., cost‡	988,507	524,217
Short term notes	250,000	.....
Accts., etc., rec.	111,802	54,031
Drill. contracts	38,027	59,424
Supplies	215,575	161,236
Total curr. assets	1,869,581	1,686,531
Misc. assets	23,781	13,750
Def. & prep. chgs.	6,070	33,320
Inv. in & loans to subsid. & assoc. cos.	146,310	146,310
Leases†	524,516	506,133
Inv. in wells	168,605	127,276
Fixed assets†	112,215	123,835
Total assets	2,870,880	2,639,255
Accts., etc., pay.	131,101	140,901
Deposits for mat. on ln.	.....	51,200
Total curr. liab.	131,101	192,101
Capital stock	2,519,339	2,228,339
Surplus	220,440	218,815
*After amort. of	414,293	393,606
†After depl. of	151,660	151,660
‡After depr. of	319,356	297,585
‡Mkt. value	1,029,753	646,079
Working capital	1,738,280	1,494,430

UK Co. Buys Into Mtl. Contractor

A British construction company, Sir Lindsay Parkinson & Co. Ltd., has acquired a substantial interest in a Canadian general contracting firm and is establishing a Toronto office of its own as well. The Canadian firm into which the British company has bought is Walter G. Hunt Co., of Montreal. G. O. Shears, associated with Parkinson for 20 years, becomes vice-president of Walter G. Hunt Co. Parkinson's will open a Toronto office in addition to its connection with the Montreal firm. Parkinson's has been engaged in the construction industry throughout the world 75 years.

Announcement

D. M. MORRISON

R. P. RITCHIE

The appointment of Dr. D. M. Morrison, M.B.E., as Vice-President — Manufacturing and of R. P. Ritchie as Vice-President — Transportation and Supplies, of Shell Oil Company of Canada, Limited has been announced by W. M. V. Ash, President. Both Dr. Morrison and Mr. Ritchie will continue to have their headquarters at the Company's head office in Toronto and direct Shell's Canadian operations in their respective fields.

Strike Algoma Uranium 50 Miles To East More Values For Preston, Pronto, Drills

With discoveries of uranium now made 50 miles east of Pronto Uranium Mines, the Algoma uranium area is again taking on new size with 550 claims estimated to have been staked in a new rush within the last 10 days.

Other Algoma uranium news includes (a) Further ore intersections at the Quirke Lake zone of Preston and Associates (Algom Uranium Mines); (b) Indication of a possible parallel ore zone for Pronto by a 250-square mile aerial survey of Aeromagnetic Surveys; (c) Launching of work programs at numerous further properties in the north and central band areas.

Preston to Step Up Plans?

Within the next few days Preston East Dome will, it is understood, give consideration to a very substantial expansion of its program. One drill has been operating at Quirke Lake, another at Pecors Lake and a second drill is going in to Quirke Lake to aid in ore delineation.

The area 50 miles east of Pronto has been the scene of discoveries by Plum Uranium & Metal Mining with Noranda Mines also reported to have found uranium occurrences.

Sponsored by J. H. Hirshhorn and associates, sponsors of Peach Uranium & Metal Mining, Plum has made discoveries of the Algoma conglomerate type. Plum prospecting crews started work early in July at the Peach property's east boundary and progressed easterly. The plan was to prospect the basal section of the Mississagi sediments.

On July 22 the first discovery of promise was made. This was in the central part of Baldwin twp. about three miles by road from Espanola. The discovery traced and staked for one mile along strike when it entered claims staked some years earlier, reportedly by Noranda Mines.

The Plum discovery bears, according to Franc R. Joubin, managing director, Technical Mine Consultants, who examined the showing a month ago, several similarities to the Peach conglomerate type. The Plum vein matter is a quartz pebble conglomerate mineralized with pyrite but unlike Peach, there is much hematization present and the conglomerate showing found is not a basal bed. In the Plum area, the Mississagi quartzites are composed of thick cross-bedded members and it is between these members, where the bedding attitude changes, that uranium-bearing intra-formation conglomerates are found. The Plum discovery conglomerate is from one foot to three feet thick, strikes about northeast, dips steeply northwest and has been traced almost continuously along strike for 4,900 ft. There has been some shearing within the conglomerate zone and the conglomerate is uniformly radioactive throughout. Preliminary sampling of oxidized outcrop material has confirmed the radioactivity as due to uranium.

Mineralogical work is still under way on Plum vein matter so the identity of the uranium-bearing minerals is not yet known.

The base of the quartzite on the Plum property does not outcrop but occurs in a wide swamp-filled draw. Radioactivity is present over sections of the swamp, suggesting a radioactive basal conglomerate horizon may also be present on the Plum holdings.

Mr. Joubin credits the Plum discovery to the energetic prospecting of Dit Holt and Garth Holly. Of very considerable help to them in this work was the detailed geological map of Baldwin twp. prepared for the Ontario Department of Mines by Dr. J. E. Thompson.

Development plans for the Plum property have not yet been announced and probably will not be until completion of the prospecting phase of the venture.

Plum's discoveries in Baldwin have sparked a staking rush into the area that has already spread into the four townships of Baldwin, Porter, Hyman and Nairn. It is estimated that 550 claims have been staked in this section over the past 10 days.

One of the largest claim holders, Noranda Mines, reportedly has made seven discoveries on its Baldwin Township holdings, adjoining Plum Uranium & Metal Mining to the north. Noranda's main discovery is reportedly of appreciable size, measuring up to 40 ft. wide. It has been traced on strike for 450 ft. before entering overburden on its extensions. It is described as typical Peach-type conglomerate.

Algom Results Please

Algom Uranium Mines, recently formed to develop the lease interests jointly held by Preston East Dome Mines, J. H. Hirshhorn and associates in the Algoma area, reports that diamond drilling results from its 166-claim Quirke Lake operation on the northern belt of the main uranium-bearing structure indicate further ore as drilling has proceeded east.

Franc R. Joubin, managing director of Technical Mine Consultants which is working closely with the Preston engineering and geological staff, advises that in hole No. 4, approximately 100 ft. east along strike from No. 3, the upper conglomerate returned 0.04% or $5.80 over 4.5 ft. The lower conglomerate returned 0.12% or $17.40 over 15 ft. Assays from hole No. 5 about 100 ft. east of No. 4 are available only for the upper conglomerate which returned 0.18% or $26 over 7.7 ft.

Algom officials are reported as highly pleased with these results since this drilling is about midway along the conglomerate structure that has now been traced by surface pitting for a total distance of 14,000 ft., Mr. Joubin reports.

At the Pronto (Peach) property a preliminary study of airborne results has suggested a second parallel radioactive zone in the south overburden-covered section of the property and final results are awaited with interest.

The second drill working on prospecting the conglomerate horizon west of the main ore area, has cut basal conglomerate, well mineralized, and radioactive, in the first two short holes. In this section, about 1,000 ft. west of the main ore area, however, it is narrow averaging 2.5 ft. thick.

Diamond drill No.3 is scheduled to start work this week and will prospect the lateral extension of the main ore area to the east.

Drill holes from Nos. 63 to 67 have been completed and counts ranging from 150 to 500 over a background of 40 have been secured over vein thicknesses of 6.5 to 9.5 ft. No assays are available but all should be of ore grade as Scintillometer counts of 150 or more make ore.

Access road from the main highway has been completed, a site for winter plant construction is being readied and electric power will be delivered to the camp site within the next few days.

Anglo-Rouyn, Frederick Mining & Development, Conecho Mines, Aquarius and Grande Chibougamau are among companies who have recently activated their Algoma programs. The first three each have properties along the north or Quirke Lake belt and have respective properties of 2,080, 1,080 and 1,400 acres. General prospecting and mapping is being done along with winter camp construction and road preparation as a preliminary to diamond drill programs.

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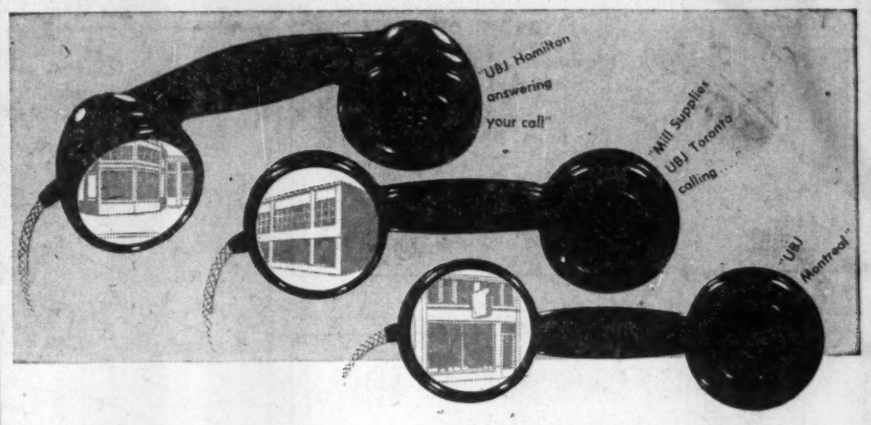

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New Ore For Nesbitt Labine, Continue Exploratory Drilling

New ore-bearing fractures are stated to have been found recently at both levels of the Eagle-Ace mine of Nesbitt-LaBine Uranium Mines, ore has been recently opened on the sub-level of the ABC mine and diamond drilling on new outside bets is proceeding, the management reports.

At Eagle-Ace, several raises are being driven in ore. Two have been continued through to surface from the first level to surface and raises from the second to first have confirmed the downward continuation. Recent diamond drilling has encountered good values below the third level. Stope preparation is proceeding and ore from development headings stockpiled.

Mining operations have been resumed at ABC after, a shutdown due to lack of experienced men and the northeast fault has now been intersected in the sub-level above the adit with the first few rounds of ore grade.

Several thousand feet of diamond drilling is currently being done on the Maj and Jam claims of the Eagle-Ace property to check several surface discoveries made last year. A drill is also being moved across St. Mary's channel south of Gunnar where a number of pitchblende discoveries were made last year and this summer. This drilling is an attempt to evaluate these occurrences.

Some 9,000 ft. of drilling was done on the Arch group near Shannon Lake. A strong fault structure was intersected and minor intersections of pitchblende found. Further exploration is planned for both this group and the Mar group of claims west of the Gunnar ore body where several thousand feet of drilling encountered a major fault structure from 50 to 150 ft. wide and where some interesting values were secured.

The company reports that it is in a strong financial position for the continuation of its program.

OSC Options

The following information on mining company financing has been released by the Ontario Securities Commission:

ASBESTOS LLOYD MINES reports that by agreement of June 12, Federal Trading & Agency Co. agreed to purchase 500,000 shares at 10c and received options on blocks of 200,000 shares each at 20c and 30c per share and 100,000 shares at 35c. Authorized capital is five million shares of which 1,000,005 are issued (810,000 in escrow). Accepted for filing Aug. 26, 1953.

CRESTFIELD URANIUM MINES filed an amendment statement Aug. 26 showing sale by Arthur R. Lee to Harold D'Arcy Baker of 800,000 vendor shares of which 720,000 are held in escrow. Any sale to the public of free shares to be at current market prices with proceeds not accruing to treasury.

EASTMONT LARDER LAKE GOLD MINES reports that by agreement of June 5, Mikaris Holdings agreed to purchase 500,000 shares at 20c, payable within 10 days after Aug. 26. Authorized capital is three million shares of which 1,770,005 have been issued (1,700,000 in escrow).

McCOMBE MINING & EXPLORATION has filed amended statement to show extension from July 24 to Sept. 24, of payment date with respect to 100,000 shares at 10c still under option, 35,000 shares at that price having been taken up to date.

BRAE-BREEST URANIUM MINES & METALS prospectus dated Aug. 12, accepted for filing Aug. 28. Offering to public on basis of 75¢ of proceeds to treasury. Authorized capital five million shares with 2,229,585 issued (260,000 in escrow).

PLUM URANIUM & METAL MINING has filed an amended statement showing that by agreement of Aug. 24, R. A. Hutchison & Co. agreed to purchase 23,993 shares at $2, payable within five days after Aug. 24.

DELTA DEVELOPMENT & EXPLORATION CO. reports under agreement of Aug. 7, Tidewater Securities agreed to purchase 250,000 shares being blocks of 50,000 shares each at 30, 35, 45, 50 and 60c a share, payable on the next banking day following Aug. 28, and received options on 600,000 shares, comprising blocks of 200,000 shares each at $1.00, $1.25 and $1.50 a share. By agreement of Aug. 7, W. D. Latimer & Co. Ltd. has sub-underwritten and sub-optioned the above mentioned shares at a 1c markup basis. Authorized capital is two million shares of which 500,010 are issued (450,000 in escrow). Accepted for filing Aug. 31.

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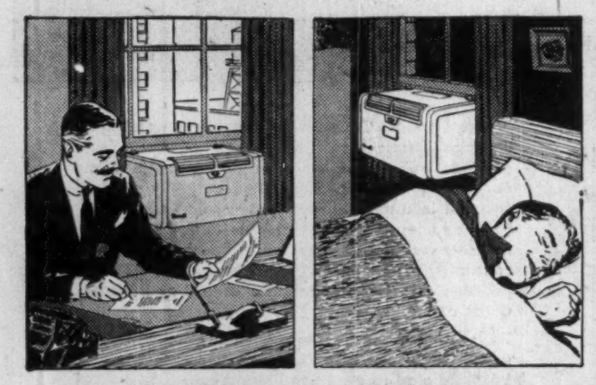

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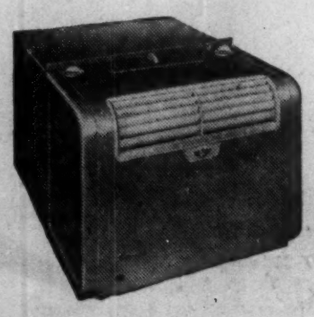

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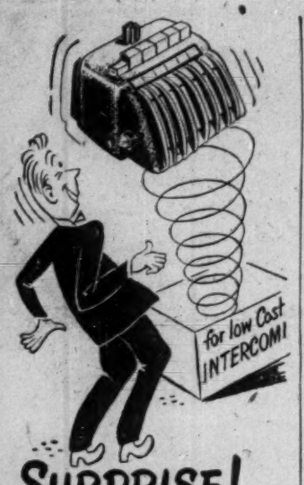

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MINING INVESTMENTS

Interest In Alta. Uranium Now Gathering Momentum

Ever since a noteworthy discovery of uranium was made in the northeast part of Alberta by Ray Tamlyn about three months ago, interest in uranium in this section just over 100 miles southwest of Beaverlodge has been showing an upsurge.

The Tamlyn showing, in the Ray Lake-Fishing Lake sector was taken under option by Goldfields Uranium Aug. 1 and two drills were scheduled to start operation this week to test showings. These show widths of 10 to 25 ft. and have returned surface assays all the way from $18.85 to $116 to the ton.

A new Alberta uranium discovery has now been made by Sandy Glauque 25 miles to the east and 15 miles east of Fort Chipewyan near the southwest end of Lake Athabasca. Located two miles north of Lake Athabasca, the discovery ground of 80 claims has been taken over by New Delhi Mines, Quebec Manitou and New Norzone Mines. Staking has been done by the Glauques—Sandy, brother Hubert and father Fred — within a 10-mile radius with a considerable number of others including Lorado Uranium, Pitch-Ore, Sudbury Contact, Jesko, etc., reported moving prospectors into the area for staking.

Limited ground work in the Glauque area is stated to have indicated two areas of radioactivity known as "A" and "B" about four miles apart on strike.

Four parallel zones within a width of 200 ft. are reported for the more promising "A" showing. This showing is stated to have been blasted into for a length of about 40 ft. with high radioactivity noted across a width of 30 ft. A 15-lb. bulk sample is stated to have returned 0.19% U_3O_8.

In "B" sector, a radioactive band of rocks has been traced for a 280-ft. length across an average width of 5 ft. Arrangements are now being made by New Delhi for a drilling program on the main showing.

* * *

Money-Making Record

Something of a record was set for recent Canadian gold mining by New Dickenson Mines in the four months ended July 31. This Red Lake gold mining operation realized an average net profit of $67,909 as against a $35,864 average for 1952. The increase in operating profit from $65,849 to $96,497 was not quite as extreme but nevertheless impressive.

It is still evident that an efficient gold mine backed by good grade ore resources can show a worthwhile profit.

Between Jan. 1, and June 30, 1953, New Dickenson was also able to record a 41,290-ton increase in ore reserves to a total of 274,498 tons averaging 0.52 oz. gold per ton. The company is presently engaged in a large development program on the fifth, sixth, seventh and eighth levels and early results have added substantially to reserves reported June 30. During July, 376 ft. of new ore averaging 8 ft. wide and grading 0.52 oz. was opened up in the North "C" zone by drifting on the sixth, seventh and eighth levels with the seventh level outstanding in developing a length of 84.5 ft. averaging 0.75 oz. over an average width of 14.0 ft.

Since the beginning of the year, net working capital has increased $336,267 while the company has purchased and retired $200,000 of its bonds. The company has now only $629,800 of bonds outstanding (July 31, 1953). It is to receive $680,500 from the underwritten offering of 250,000 shares at 75c a share.

* * *

Mining Miscellany

A director of Silver-Miller Mines, just back from Cobalt reports that the Lawson mine has now been dewatered to 40 ft. below the first level; this was the famous "silver sidewalk" of yester years but cobalt is the main objective today.

Coldstream Copper is reported with negotiations in an advanced stage for new finances but nothing signed yet.

Iron ore movements in the Great Lakes set a new record in August with 15,236,527 tons moved by the Great Lakes fleet.

International Nickel Co. the week of Sept. 13 will be hosts to the Electrochemical Society at its "Kure Beach" Corrosion Testing Station near Wilmington, N.C.

A price of 10½c a lb. for zinc will mean real hardship for zinc producers who don't have a "sweetener" in terms of some other more profitable product. Zinc usually is mined only with either lead or copper. Prices for these metals appear to be better stabilized and are certainly at more profitable levels.

Rix Headings In High Grade

Fine new ore developments for both Smitty footwall exploration and raising on the Smitty hangingwall are reported for Rix Athabasca Mines by F. R. Joubin, managing director.

The Smitty footwall zone has been exposed by a crosscut for a zone width of 30 ft. averaging 0.17% ($24.50). Drifting in this section has been held in abeyance until additional diamond drilling is completed.

Three horizontal holes previously drilled across the footwall zone produced high grade ore intersections. During the past week the fourth drill hole, 2-U-18, was completed and intersected 7 ft. of very good grade material. Further drilling will be continued before drifting on the zone is started.

The two raises are being driven for ore development and production preparation. Both are collared on the first level and are being driven to surface. One raise is situated 50 ft. east of the shaft and the other raise is situated 50 ft. west of the shaft. These raises are up a total of 60 ft. with east raise averaging 0.35% or $51.00 per ton and the west raise averaging 0.8% or $113.00 per ton. The averages in these raises to date have exceeded all expectations and will probably mean an upward revision in the general grade of the Smitty hangingwall ore body.

Ponder Income Now $600,000

An estimated income of approximately $600,000 a year is now being realized by Ponder Oils and its wholly owned subsidiary, Devon Drilling Co., according to a progress report issued by W. L. Falconer, managing director.

Production income has moved up from $100,000 to $120,000 a quarter since the end of the second quarter reflecting successful completion of two wells on the Peck lease in Montana, substantial increase in Bonnie Glen allowables and through the productivity of five wells in the Alberta portion of the Border field.

Ponder is at present sharing in production at 32 gross wells or 13.36 net wells, all of which are producing and marketing light gravity crude oil.

The company is currently participating in drilling of one and anticipates drilling two additional field wells and one exploratory well, Mr. Falconer reports.

A total of $196,000 provided by debenture financing has been employed in development of oil resources of semiproven nature. Since issue, the company has drilled seven development wells and made necessary additions to drilling equipment. An additional $120,000 has been spent in drilling three exploratory wells and acquiring basic geological data for further exploration. Funds for these ventures were provided out of current income.

In addition to interest on outstanding debentures, the company provided out of current income approximately $51,000 for redemption of outstanding debentures. This amount is $15,000 in excess of sinking fund requirements. The management estimates that the company has $370,000 working capital available for continuing its development program.

A 6⅞% interest is held by Ponder in an exploratory core-drilling program under way since July, 1952, on seven tar sands permits totaling approximately 350,000 acres in the Athabaska tar sands area. Ninety holes have been drilled to date with the objective of the program to delineate areas of richer butumen accumulation within the McMurray formation.

N.B. Uranium Brings Lawsuit

From Our Own Correspondent

FREDERICTON—Central figure in New Brunswick's recently reported uranium strike, (The Financial Post, Sept. 5) Roger D. Hunziker, Minto merchant and amateur geologist, faces a $100,000 legal battle over a King's County mining claim.

Under restraining order filed with the provincial mining recorder, another Minto man, Robt. W. Hawkes, is seeking cancelation of the transfer of mining claim No. 22 under prospecting license No. 292 to Hunziker. In the action Hawkes, alleged original holder of license No. 292, is asking that all rights under the mining claim be vested in him, or for a judgment for $100,000 damages. E. C. Atkinson, solicitor for Hawkes, explained that the order restrains Hunziker from selling or transferring his interest in the 40-acre claim until trial of the action at the October sitting of the New Brunswick Chancery Court here.

Nudulama Zone Looks "Hot" On Further Testing

A property held by Nudulama Gold Mines in the Bathurst camp, south of Brunswick M. & S. about four miles and adjoining to the north of a Leadridge group, looks like a good prospect for a new base metal ore body, The Financial Post is told.

A 4,000-ft. long anomaly was outlined on this group some time ago, the anomaly being possibly the "longest and strongest" of the camp as mentioned earlier.

This anomaly has now been gone over magnetically and the management of the Boylen-sponsored company feels that indications are that the anomaly should represent sulphides, and probably ore, rather than barren graphite.

About another week will be required to finish the road into the property and get drilling under way.

Husky-Union-Calvan To Drill Test At Stettler

A team composed of Husky Oil & Refining Ltd., Union Oil of California and Calvan Consolidated will drill Bargrave No. 1 in L.S.D. 5—27-30-26 W4, in the area southwest of Stettler, each having one third participation.

This is an eight-section farmout from Hudson's Bay Oil & Gas Co. Bargrave No. 1 is scheduled to be a D3 test to a maximum depth of 8,200 ft. This well is eight miles northwest of Canadian Delhi-Banff Acme No. 1, a recent D3 discovery.

Husky Oil & Refining is also rigging up on Duhamel No. 1, a joint operation with Greta Petroleums on a farmout from Canadian Superior Oil of California, covering lands with a 5,000-acre block. This is scheduled to be a D3 reef test to a maximum depth of 5,700 ft. Husky participation is 65%, with Greta Petroleums taking a 35% interest.

PRICE BROTHERS & CO. DAM
KENOGAMI

ANGLIN-NORCROSS Builders

How do they drill an oil well, Dad?

You've seen me drill a hole in a piece of iron. Drilling down through rock is somewhat the same but the drill points have to be extremely hard and tough. The cutting parts of the drill are made of nickel alloy steel because it lasts longer and cuts quicker than most other materials.

"Do they drill very deep?"
Yes, sometimes oil wells are drilled two miles deep. Pieces of pipe are joined to each other and the rock bit is screwed on the bottom end. To keep this great length of pipe from breaking it is sometimes made of nickel alloy steel which is strong and tough. It is also less subject to the corroding influence of salt, sulphur and chlorides often found in oil wells.

"The Romance of Nickel" a 72 page book, fully illustrated, will be sent free on request to anyone interested.

INCO Nickel

THE INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED, 25 KING STREET WEST, TORONTO

THE LETTER FROM LONDON

Playing The Russians' Game

How Far-Left Socialists Exploiting Anglo-U. S. Differences

LONDON — The Left-Wing boys, like Woodrow Whyatt, Labor M.P. for part of Birmingham, are not letting the differences at Washington over Korea pass unnoticed.

Many Socialists have long been playing the Russian game of driving a wedge between Britain and the U. S., so this was a chance not to be missed.

Mr. Whyatt, who makes his points with the same subtlety as a schoolboy scoring off teacher, claims that the decision on the inclusion of India in the talks marks a new era in Anglo-American relationships.

I suppose he means he hopes there will be a lot more differences like this one. Fortunately most of us think otherwise.

It is a pity that casualties in the Cabinet made it impossible for us to have a minister present in the final stages. Selwyn Lloyd, Minister of State, had to go off for a holiday in the middle of the discussions. He has been overworked through this summer and having seen what happened to his boss, Mr. Eden, he is taking no chances.

* * *

Rolls To Go Into Small-Car Business

Rumor in London financial circles has it that Rolls-Royce is on the look-out to buy up a small-car business. They want to go into the small-car business but could not produce a small car to their own perfect standards at a reasonable price.

The shares of the Rover Motor Co. are standing firm and the story is that Rolls-Royce is in the market for them.

This would be a farsighted move for Rolls. While their aero-engine business is expanding the time must come when there will be a shortage of customers for their $6,000 cars.

There is no future in producing a millionaire's car in a country where there are mighty few millionaires.

* * *

First White Bread In Fourteen Years

Apart from getting rid of the scaffolding stands we have another freedom now. It may seem strange to the great wheat growing areas of the world, but here in the land of the free we have not had pure white bread for 14 years. It was part of the price we had to pay but this week our old white bread has been restored to us.

Of course, some of the planners and the health cranks wanted to keep us on the off-white diet for ever; they say it is better for us but at least one of the doctors is a politician at the Ministry of Food and he is all for freedom of choice.

Dr. Charles Hill, rotund and portentious may look like Humpty-Dumpty but he talks sense. He would abolish all controls if he could.

The increased rate of extraction employed to secure this whiter flour provides more feeding-stuffs for pigs and poultry.

* * *

Would Make It Illegal To Fix It Yourself

Not everyone likes freedom. Here's the plumbers' union trying to bring pressure on the housing authorities to forbid tenants to do odd jobs in their houses.

The plumbers want them threatened with eviction if they put a washer on their own tap. A pretty seedy race we should soon become if we were not allowed to do anything for ourselves but always send for the other fellow.

This same spirit of unresourcefulness was shown by Coroner G. L. Robbins who, presiding at an inquest where a rescuer was drowned attempting to save another sea bather, doubted whether men with responsibilities ought to risk their lives in such rescues.

Mr. Robbins will wait a long time before venturing opinions of this kind again after he has read the indignant letters to the press.

Not that it is necessary to go as far as the other coroner holding an inquest on a small boy who got accidentally battered to death by blows on the head from other small boys playing "Indians" in a dark cavern. He told the boys who did the clubbing not to feel badly about it. Rough games, he said, are natural among boys and "if it weren't for such incidents we would not win the Ashes."

Well, the Ashes aroused some pretty bad blood but we have never thought we should train for them by teaching our boys to club each other to death. This freedom is going too far.

* * *

No Obscurity For This Junior Minister

Parliament Square, which a few weeks ago, with the gaunt scaffolding of the Coronation stands, looked like a cross between an unsuccessful exhibition and a disused football ground, has had its beauty restored.

In the Square garden opposite Westminster Abbey the green turf has been relaid and a blaze of flowers has replaced the dilapidated stands. Another triumph of organization for Sir David Eccles, the pushful young man whom nobody can keep down though a lot of people would like to.

Sir David is smooth and elegant, suave and ambitious. Sir Winston thought he was too much of all these things and it wouldn't do him any harm to pass a spell in the obscurity of the Ministry of Works, a second-grade establishment.

What happened? There were two royal funerals and a coronation, each the responsibility of his ministry. Obscurity nothing—he's been more in the public eye in the last two years than any other minister, picking up a royal decoration on the way.

Sir Winston will have to think up something better if he wants to keep Sir David down.

Truck Strikers Won Little

Southwestern Ontario's six-week, violence-studded trucking strike wound up with the union accepting a 20c hourly pay boost and a half-cent-a-mile increase for highway drivers.

Half the hourly boost—10c—goes into effect immediately with the balance awarded in three steps, the last of which comes October, 1954.

On the surface, the strikers appeared to have done better than their fellow members in Toronto who accepted the original 13c offer of the operators. Examination of the situation, however, reveals a hollow victory.

On the basis of a 50-hour week over the next two years, the hourly rated Toronto members of the International Brotherhood of Teamsters will get an extra $538 while the strikers in the Windsor-Hamilton area will get slightly less—$530. Since it is figured that the strikers lost an average of $400 during the strike, the strikers' increase for the next two years is whittled down to $130.

Highway drivers who struck will get an extra $50 over the next two years, based on an average 1,500 miles of driving per week. This amounts to less than 50c per week extra.

Another angle is that Toronto drivers have a contract that expires in December, 1954 while that signed early this week in the Hamilton-Windsor area ends June 30, 1955. Thus Toronto drivers will have a chance to increase their earnings again six months before those who went on strike.

Foot-Mouth Ban Hit License Sales

The United States ban on the import of cloven-hoofed animals last year lopped a sizeable amount off the Ontario Government's credit ledger, as well as shrinking the tourist trade.

The deer permits issued non-resident hunters fell from 10,400 in the year 1951-52 to 870 in the year ending March 31, 1953.

While the tourist industry suffered to some extent the total number of hunters in the field for all types of game increased. Resident deer licenses in the same period increased from 89,290 to 96,790; resident moose licenses increased from 1,402 to 3,620; and resident gun licenses increased from 240,000 to 268,396.

U of T Conference On Wages, Profits, Prices

The University of Toronto's Institute of Business Administration will hold a one day conference on wages, profits and prices Sept. 18, to be conducted by Professors M. A. Adelman, C. A. Myers, P. A. Samuelson and G. P. Shultz of the Massachusetts Institute of Technology.

Some of the topics under discussion will be: escalator clauses in collective bargaining agreements; free collective bargaining, full employment and price stability; level of profits as a factor in the wage bargain; wage-earner's share of real income; wage and price decisions within an enterprise; wage and price policies for the downswing; relative wage levels as a factor in tariff policy.

The conference will be limited to the first 250 applying to the Institute of Business Administration.

Staff Changes

Chartered banks announce the following staffchanges:

Commerce:

I. S. CHERRIER, to be an assistant accountant, Saskatoon, Sask.

J. A. CLARK, formerly accountant, Oakville, Ont., to be manager of new branch, Kerr & Florence, Oakville, Ont.

J. H. COLWILL, to be assistant accountant, Barrie, Ont.

W. D. DICKINSON, second agent, New York, N.Y., to be a superintendent at head office, Toronto.

J. R. McSHERRY, an assistant accountant, New York, N.Y., to be an assistant accountant, Toronto.

B. L. MORETON, to be an assistant accountant, Port of Spain, Trinidad.

F. S. OLIVER, an inspector, head office, to be second agent, New York, N.Y.

C. W. WAKE, an assistant inspector, head office, to be an inspector.

R. T. DYER, to be assistant accountant, Woodstock, Ont.

H. W. HUNTER, assistant manager, Chatham, Ont., to be manager, Port Colborne, Ont.

H. L. T. PEMBERTON, assistant accountant, College & Dovercourt, Toronto, to be accountant, Yonge & Brookdale, Toronto.

S. A. SPENCER, to be accountant at Delta, Hamilton.

C. G. TETLEY, an assistant accountant, Adelaide & Peter, Toronto, to be accountant, Adelaide & Peter, Toronto.

A. E. H. WILDS, to be an assistant accountant, Adelaide & Peter, Toronto.

* * *

Royal:

M. R. DINNEY, assistant manager, Robson St., Vancouver, to be manager, Penticton, B.C.

A. G. CUTLER, manager, Cut Knife, Sask., to be manager, Lanigan, Sask.

G. R. SIBORNE, supervisor's dept., Vancouver, to be assistant manager, Robson St., Vancouver.

Rolling Mill Comes from UK

A rolling mill company established in Britain in 1789 will build a plant north of Toronto this fall to produce copper and brass items for manufacturers of automobile radiators, electrical fixtures and other products.

Ratcliffs Ltd. of Tipton, Staffs, England, who have long had a market in Canada for their products, has bought 10 acres in Richmond Hill. The site is in an area recently annexed by that village, and in a 300-acre industrial and residential subdivision owned by Toronto mining man, Bryan Newkirk, and New York interests.

The plant will contain 7,000 sq. ft. of floor space at first and is to be in operation by Christmas. Plans are to employ 350-400 workers eventually. A subsidiary, Ratcliffs (Canada) Ltd., will operate the plant.

It is the first plant to locate in the subdivision, and marks something of a new departure in industrial siting in the Toronto area.

Just north of Richmond Hill's old northern boundary the subdivision is on the CNR main line, on highways to Toronto, Malton airport, Sarnia, and northern Ontario. Newkirk's company, Richmond Hill Development Co., argues this makes it one of the most central Toronto locations. Some 200 acres are being set aside for industrial development, the rest for residences. (Formation of the company and its plans were reported in The Financial Post, July 26, 1952.)

Slide Knocks Out B. C. Hydro Plant

Special Correspondence

VANCOUVER — Damage unofficially placed at "several hundreds of thousands of dollars" has resulted to B. C. Power Commission's new Whatshan power house as a result of a mountain slide involving an estimated million yards of mud and rock.

The plant is totally out of commission and will stay that way for several months. Finished more than a year ago at a cost of $6 millions, it delivered 33,000 hp to Vernon, Kamloops, Kelowna and other towns in the Okanagan district. Temporary and part-time service to the unhappy towns is being organized by borrowing power from West Kootenay Power Co.

The damaged plant was fed from Whatshan Lake, with a downhill tunnel to the turbines, located on Arrow Lake. It's thought the tunnel had nothing to do with the slide, which came from another direction. A small slide occured two weeks ago, giving enough warning of what was to come to clear out a staff of 20.

Since December 1951, The Royal Bank of Canada has provided banking service to construction crews working on the gigantic power and aluminum project now taking shape on B.C.'s rugged mountain coast. Branches and sub-branches are operating at Kemano, Tahtsa Lake, Nechako River damsite, Kildala, Skins Lake and other strategic points in this great undertaking.

Pioneering in remote areas is nothing new to the Royal Bank. It is a strong tradition. Today, for example, we maintain offices at Churchill on Hudson's Bay, Mayo in the Yukon, and Port Radium on the fringe of the Arctic—the "farthest-north" bank in Canada. Whenever and wherever the need arises, The Royal Bank of Canada heads north with the men who are establishing Canada's new frontiers.

THE ROYAL BANK OF CANADA

A BIG BANK SERVING A GROWING COUNTRY

Marathon Corp. Net Off 24% In 9 Months

Marathon Corp., Menasha, Wis., net earnings for the nine months ended July 31, 1953, were $4,294,662 or $1.14 per common share, down 24% from $5,652,842 or $1.52 in the corresponding 1951-52 period. Consolidated net sales at $81,369,267 were 5.5% higher than $77,113,490 in the same nine-month period a year before.

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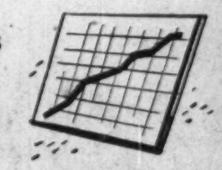

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The Financial Post

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New Muscles for a Billion-Dollar Industry

$600 Million Growth; Firm Market Outlook For Pulp and Paper

BY GORDON MINNES

After a record-breaking postwar expansion that lifted its production from some $400 millions to over $1,200 millions in dollar terms and better than 50% in terms of volume, Canada's biggest industry is taking a breather.

Demand for pulp and paper, by any yardstick you want to use, is still in very robust shape. But with productive capacity increased sharply through the expenditure of over $600 millions on new plants and equipment since 1945, and many markets now more competitive, the rate of expansion in the industry is slowing down.

That's to be expected. But it's undoubtedly only a temporary pause, as all forecasts are pointing to a long-term upward trend in pulp and paper consumption.

Meantime, Canada's producers can contemplate their postwar growth with great satisfaction. The record to the end of 1952: newsprint output, up 58%; all pulps, 57%; paperboard, 44%; wrapping paper, 38%; fine paper, 44% — all that, plus strengthened financial positions and further diversification of production.

This year, it looks at though over-all output may top 1952 slightly. That will be down from record 1951, of course, but still the second highest total on the books.

The Outlook for Newsprint

Take newsprint. There was a small amount of slack in this largest section of the industry evident earlier in 1953: producers had raised their rated annual capacity by more than 200,000 tons over the 1952 figure and, as actual output was showing little change, production was running slightly below rated capacity (98.9% for the first half). This was what many in the industry had predicted.

Now, the picture has changed. Output was back up to 100.5% in July, gives indications of staying above 100 for the next few months. For the full year, production may hit another record of around 5,750,000 tons, worth over $650 millions. That would compare with 5,687,000 tons valued at around $630 millions in 1952.

Experts are not predicting another newsprint shortage. But at the same time there's no slack left. American consumption continues to register a surprising 3% gain over 1952. Overseas shipments have been on the upswing in recent months and Canadian use is still climbing.

Market pulp, a sensitive indicator of changing world business conditions, has been stronger. At the beginning of this year, world pulp inventories were large, while paper mills in many countries were just completing the working off stocks they had accumulated in the 1951 buying spree. Pulp markets had improved from the second and third quarters of last year but 1953 prospects were still uncertain.

There are still soft spots in the pulp market, notably unbleached sulphite. And prices are still down 15-30% from first quarter 1952 levels. But demand for most pulps has been strong and total export sales have been rising steadily this year. For all of 1953, they probably won't be off more than 4% from last year's 1,940,000 tons and thus may hit around the $250 million-mark.

That would still put them above every past year except 1951 and 1952. And actually, exports of bleached kraft may be up even from record 1951 while those of bleached sulphite should come very close.

Domestic Market Grows

While improved demand for newsprint and market pulp—the two big items in Canada's pulp and paper export picture—has been shown, high domestic demand has also been keeping the producers of other paper products busy this year.

Paperboard production, based on first half results, may total around 730,000 tons this year. That would be 3-4% lower than 1951's record 757,000 tons but would be up almost 7% from 1952's 684,000. Production last year dipped sharply in the second quarter, largely due to liquidation of inventories, but showed some small improvement in the final six months and has climbed steadily this year. There are few paperboard mills scratching for orders these days.

Sales of paperboard have now resumed their pre-war seasonal pattern, featuring a heavy demand from April through September (the canners and brewers, for instance, take large volumes in the summer). As a result, actual sales volume should start tapering off toward the end of this month. But this is expected to have no effect on production through at least the October-December period, as the mills will be busy rebuilding inventories.

Paperboard prospects appear good for at least the early part of 1954 because, as one large producer puts it, the industry just hasn't the capacity to build up inventories far enough in the last quarter of 1953 to meet the expected peak demand period starting next spring.

Improved domestic demand this year has also been noticeable for many other grades of paper produced largely for the Canadian market.

Fine paper output, which dipped sharply last year, has been higher. In 1952, many customers who had overbought in anticipation of a shortage and built up inventories larger than necessary trimmed their orders. An improvement in demand started late last year and has continued, with production for the first seven months at 113,300 tons up 5.6% from the same 1952 period.

Record in Fine Paper?

For the full year, fine paper output may come pretty close to 1951's record 203,000 tons. In any case, it should be well up from 1952's 177,000. And the improvement this year has been shown despite a sharp drop in export volume (4,700 tons in the first seven months vs. 11,300 a year earlier).

Wrapping paper production has been maintained at about 1952 levels so far this year. Production for the first half at 114,200 tons showed almost no change from 1952, although domestic consumption perked up, hitting 112,000 tons vs. 106,300. For the full year, it should approximate 1952's 224,500 tons, which was off about 12% from 1951.

That is the picture for 1953. What about the next year or two?

It's a commonplace these days to say that "prospects depend on general business conditions." But with pulp and paper, which serves so many different markets, that's about as far as you can go, although exchange restrictions and other temporary measures can also be important.

In United States, Canada's biggest export outlet, for instance, there's been a close correlation for years between the level of paper and paperboard consumption and the index of production of all types of manufactured goods, including food products.

Paper or paperboard is used by every industry. Some times it's the main raw material, often it's used for packaging, maybe it only goes into writing letters and keeping records. But, in some form or another, it is used.

Take even the automotive industry, which at first glance might seem like an unlikely candidate for a large volume. A surprisingly big tonnage of paperboard is used for interior trim in car, bus and truck bodies, while prefabricated parts sent to assembly plants are usually packaged, as are accessories and parts shipped to retail dealers. More and more durable goods have been packaged in paper or paperboard containers, particularly in the last 10 years.

So take your ch... Are we heading into a slight slow... n 1954 or will economic activity continue rising steadily? Some economists and businessmen are forecasting a dip, others are more optimistic and see no signs of a downturn.

Eyes on the U. S.

One thing is sure: everybody should keep a sharp eye on American business trends. Last year, the U. S. took nearly 85% of Canadian pulp and paper exports and over 63% of the industry's entire production. It's been shown in recent years that even a 5% drop in U. S. consumer buying can shake business all over the world. Last year, when American paper and paperboard producers were merely liquidating an estimated one million tons of inventories piled up in 1951, imports of pulp from Canada dropped by 260,000 tons or nearly 15%.

So what happens to the business weather below the border is the biggest single factor in the short-term pulp and paper outlook.

It seems at least likely that competition stiffer than that which has characterized most of the postwar period to date is in the cards. In the United States, pulp capacity is being increased substantially and the government has been encouraging a considerable expansion of newsprint capacity. These new facilities will provide increased competition for Canadian products in the American markets if U. S. demand levels out.

R. M. Fowler, president of the Canadian Pulp & Paper Association, hung out a warning sign earlier this summer. Remarking that the days of easy progress appeared to be over — at least for the time being.

He said: "The icing is off the cake. I believe that in the last 10 years the industry has wisely equipped itself to cope with a period of struggle, but it would be foolish not to recognize that such a period of struggle is facing it today. It would also be foolish to ignore certain problems and weaknesses that have developed."

He felt that the problems stem mainly from high costs and that the solution lies only in cutting costs. Break-even points, he noted, are at record levels, which means that even relatively small drops in demand and minor amounts of idle capacity can cut deeply into net profits.

An Export Industry

"The over-riding economic fact in this industry is that it is an export industry," he continued. "It must face vigorous competition in world markets. If its costs remain too high it will lose out in those markets. There is already considerable evidence—particularly for the most sensitive indicator, the market pulps— that Canadian costs are not fully competitive with those in other producing countries."

Mr. Fowler tempered his warning by saying that the current test is "no more than the normal ebb and flow of a healthy economy.

"With all the great strides forward that have been made by the Canadian pulp and paper industry in recent years, there is no cause for alarm if it should find that its curve of progress temporarily flattens out or fluctuates," he remarked. "It will still be at a high level and the only question is as to the length of the pause before the upward trend is resumed."

One of the main items in the expense picture which could hold Canada's pulp and paper growth below its potential is the increasing cost of getting wood to the mills. President Fowler said that Eastern Canada wood costs are probably the world's highest, a factor of prime importance when so much of the industry's production goes to export markets.

The woodlands manager of one large Canadian producer of newsprint and sulphite pulp lays great emphasis on this situation.

"The main problem with which the whole industry is faced in the reduction of wood costs to a point where it can compete with the cost of wood available to the mills in the Southern States," he contends. "The wood here is superior to that produced south of the Mason and Dixon line but the cost differential is too great. If this is not reduced, mill capacity in the south will continue to increase and eventually the industry will have priced itself out of the market."

There are strenuous efforts being made by Canada's pulp and paper companies to correct this cost problem, but the steady inflation and excess of demand over supply which has featured most of the postwar period has put much of it beyond the industry's control.

Attack on Costs

In woodlands operations east of the Rockies, mechanization is steadily forging ahead and is helping greatly in the struggle. More and more, the bucksaw and the horse are being replaced by the power saw, the tractor, the snowmobile, the heavy diesel truck, etc. On the West Coast, where climate and other conditions have favored it more than in other sections of Canada, mechanization is in a more advanced stage than in the East.

This trend is helping to offset a steady rise in the cost of woods labor through higher productivity. In addition, better forest management is strengthening the longer-term picture.

And the tremendous expenditures made in the mills have modernized facilities and upped efficiency. Since the war, the industry has poured $600 millions into new plant and equipment and another $400 millions into maintenance. This impressive $1-billion total was equal to 15% of all the money spent for these purposes by the whole Canadian manufacturing industry since 1945.

In research, the industry is finding a powerful new tool. Scientists are steadily turning up remarkable new or improved ways of growing and harvesting wood, making the pulp and turning it into papers.

All these are elements of strength in the Canadian pulp and paper picture today. There's also another factor — the sharply improved financial positions of the individual companies.

Pre-war, total capital invested in the pulp and paper industry was about $600 millions. Now, it's over $1,500 millions. And this capital has been provided largely from earnings.

Stronger Debt Position

Back in the 1930's, many companies found themselves in a weak market with a crushing load of funded debt. Many went into receivership, others just managed to scrape through. It was a harrowing experience and since then, industry executives have concentrated on steadily trimming that debt, with the result that today it is well below 1939.

The growth of Canada's pulp and paper industry since 1939 has kept it well out in front as the biggest single factor in the nation's industrial picture. It now ranks as one of the world's major industrial enterprises.

These days, the 130 mills foot an annual wage bill of over $400 millions, producing employment for some 390,000 workers (including seasonal woods operations). In 1953, for the third year running, their output should top $1,200 millions. Exports will again total over $900 millions and will be around 23% of the Canadian aggregate and 35% of those going to the big United States market.

The postwar expansion has taken place right across the board — in newsprint, market pulp, paperboard, fine, specialty and wrapping paper, etc. In some cases, increasing world demand has sparked the growth; in others, a larger domestic appetite has been behind the drive.

Newsprint, of course, has been a highlight. From 1945 to 1952, rated annual capacity was raised by over one million tons to 5,722,000 tons, mainly to feed the sharply higher consumption of American publishers. This will be lifted to about 5,800,000 tons during 1953 and further new capacity is scheduled to come into operation early next year.

Most of the newsprint capacity increase has been accomplished through the speed-up of existing equipment. Only four new machines have been added since the war, including one in the single new mill which has been built. And this process of upping capacity through machine-improvements can be carried still further, depending largely on market conditions.

The Big Pulp Trade

For market pulp, much of the stimulus behind the increase in Canada's exports from 700,000 tons in 1939 to 1,940,000 tons in 1952 stemmed from a basic shift in the international pulp marketing picture. The flow of Scandinavian supplies to United States and other markets was cut off when the war started and Canada took over. Canadian producers now account for 30-35% of all pulp moving in international trade, against about an 11% slice pre-war.

Development of the Canadian economy and an increase in population has been the big factor behind the growth shown by producers catering largely to the domestic market. Production of paperboard, fine paper, wrapping paper, etc. are all running at least double 1939 levels.

Included in the over-all growth have been some significant shifts.

For instance, newsprint now accounts for about 63% of total Canadian pulp and paper output, against a pre-war 70%. Output of newsprint has climbed by some 65% but production of pulps for uses other than newsprint (particularly kraft grades) has shown much sharper growth, in some cases three and fourfold.

This diversification of production is a healthy sign, indicating possibly greater long-term stability (although newsprint is not a volatile commodity). Coupled with it has been an increase in the number of countries to which Canada now sends the products of her pulp and paper mills, although exports are still heavily concentrated in the American market.

A Look at the Future

What does the longer-term future hold for the Canadian pulp and paper industry? Most people are agreed that it looks pretty bright.

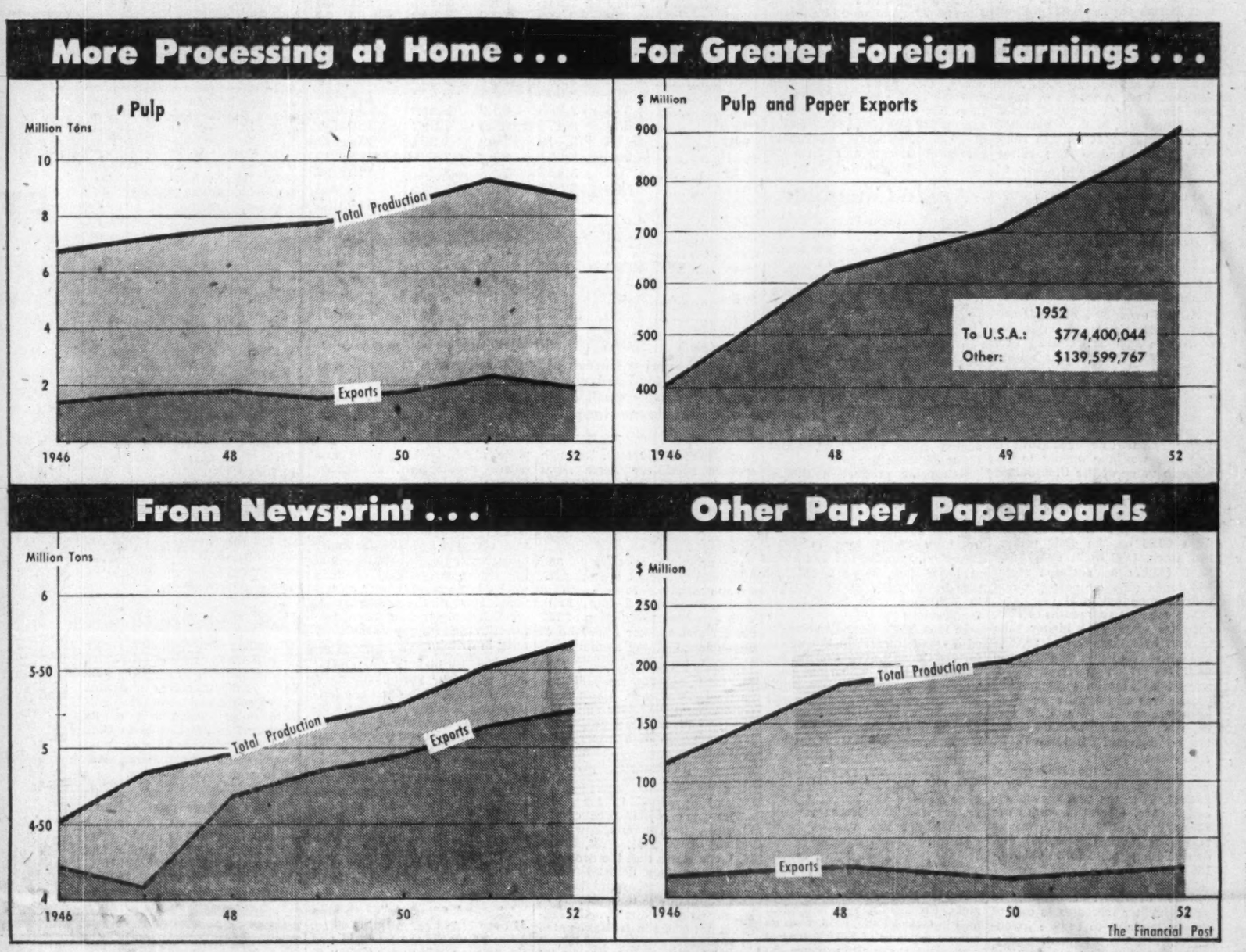
On the demand side, the experts have been forecasting the American newsprint market may be taking 8.7 million tons by 1975, against last year's approximately 6.0 millions. Consumption in Canada should continue to rise, while other markets should open up as exchange controls are relaxed and upward trends of population, literacy and economic development continue.

There's little doubt that world pulp demand will continue to rise and, if tariff barriers are lowered, more of Canada's pulp production may move into international trade in the form of finished paper products.

The expected growth in world demand for pulp and paper products will have to be matched somehow by increased production. But in many countries, particularly in Europe, further expansion of output is now being limited by the lack of additional timber resources.

That leaves Canada in a particularly favorable position. While we don't know yet just how much wood we have, nor how fast it's growing, it is generally assumed that we are not presently using more than the annual increment and that there is further room for expansion. Improved forest management techniques, and any progress toward cutting the annual loss caused by fire, insects and disease, will provide room for still more growth.

It adds up to a healthy long-term outlook — one that seems to herald steady growth for Canada's pulp and paper industry.



How Industry Has Grown

Here's the growth of the pulp and paper industry over the last 82 years:

	Pulp and Paper Mills	Total Employees	Total Production
1871	21	760	$ 1,071,651
1881	41	1,588	2,509,993
1891	58	2,817	3,633,257
1901	53	6,236	8,627,557
1911	72	9,766	23,226,479
1921	100	24,619	151,003,165
1931	103	26,669	174,733,954
1941	106	37,154	334,726,175
1945	109	39,996	398,804,515
1946	113	44,967	527,814,916
1947	115	49,946	706,971,628
1948	117	51,924	825,857,664
1949	123	52,050	836,107,997
1950	123	52,343	954,137,651
1951	126	57,291	1,237,897,470
1952 (est.)	129	59,000	1,220,000,000
1953 (est.)	130	59,200	1,225,000,000

Here's Progress Report on the Newsprint Companies

Abitibi

Abitibi Power & Paper Co., directly and through subsidiaries, manufactures newsprint, sulphite pulp, printing and fine papers, and paperboards. It is one of the world's largest manufacturers of pulp and paper, having an annual manufacturing capacity of 720,720 tons of newsprint, 66,220 tons of bleached and 31,000 tons of unbleached sulphite pulp, 35,420 tons of corrugating board, 39,365 tons of fine paper, and 57 million square feet of hardboard. There are 19 newsprint machines in operation in the Abitibi mills.

Properties include six newsprint mills at: Iroquois Falls, Fort William, Port Arthur and Sault Ste. Marie, Ont., Beaupré, Que., and Pine Falls, Man. A bleached sulphite mill is at Smooth Rock Falls, Ont., and a corrugating board and hardboard mill at Sturgeon Falls, Ont. The Iroquois Falls mill also manufactures wrapper paper, largely for intercompany use.

Its subsidiary, Provincial Paper Ltd., operates mills for the production of fine paper at Port Arthur, Thorold, Georgetown and Mille Roches, Ont.

Abitibi owns 50% of the issued and outstanding common shares of Alaska Pine & Cellulose Ltd. (formerly British Columbia Pulp & Paper Co.). That company owns and operates two dissolving pulp mills on the Pacific Coast.

Abitibi's consolidated net profit of $9,097,759 for 1952 was 30% lower than 1951 net of $12,997,877. Decrease was due mainly to decline in value of the U. S. dollar, increased labor costs, and a big increase in Crown timber dues in Ontario.

Earnings per share in 1952 were $8.66 on the $1.50 preferred stock ($12.37 in 1951) and $2.02 ($3.07) on common stock. Dividends paid on new common shares amounted to $1 (75c).

For the first six months of 1953, earnings were 8.2% higher than in first half 1952. Net of $4,763,220 ($4,404,055) was equivalent to $4.53 ($4.19) on preferred shares and $1.06 (97c) on common. Increase was largely the result of improvement in the U. S. exchange position and easing of the tax burden, said President D. W. Ambridge.

Net sales for the 1953 period were $54,302,794, down 1.2% from $54,962,444 in the first six months of last year. Operating costs were $38,957,508 ($39,389,244), income taxes $5,822,000 ($6,465,000) and depreciation $3,169,372 ($3,076,180).

"Every effort is being made to reduce overhead expenses, to avoid further increases in cost of production and to reduce inventories," said the president.

Newsprint mills were operated at close to rated capacity in the first half. Demand for fine papers appears reasonably stable, said Mr. Ambridge, and demand for most grades of pulp has improved somewhat. Production of newsprint in 1952 totaled 726,840 tons, a new company record.

Capital expenditures last year amounted to $4,776,602. Major projects were rehabilitation of three paper machines at Iroquois Falls; modernization of wood room at Sault Ste. Marie; rehabilitation of one paper machine at Sault Ste. Marie; extensive improvements and revisions to Thorold mill of Provincial Paper Ltd.; and installation of equipment at several mills to permit use of Canadian sulphur in place of U. S. sulphur.

Capitalization outstanding at June 30, 1953, included $4 millions 3½% Series A first mortgage serial bonds ($1 million maturing annually); $23,678,500 3½% Series A first mortgage sinking fund bonds, due April 1, 1967; $10 millions 4¼% convertible debentures due June 1, 1961; 1,050,416 shares, par $20 (total $21,008,320) of $1.50 cumulative redeemable preferred stock; and 3,725,082 n.p.v. common shares.

Anglo-Canadian

Anglo-Canadian Pulp & Paper Mills Ltd. produces newsprint, unbleached sulphite and board and wrapper at its Quebec City mill.

The annual capacity now includes 220,000 tons of newsprint, 75,000 tons of unbleached sulphite and 25,000 tons of board and wrapper. Newsprint capacity was boosted by another 5,000 tons last year.

The company holds 3,177 sq. miles of forest containing an estimated 22-25 million cords of timber. Wood operations are conducted from Forestville, about 180 miles from the mill.

Newsprint production during 1952 rose to 220,770 tons from 217,057 tons the previous year, while production of unbleached sulphite at 49,894 tons was also up from 39,681 tons in 1951. Paperboard production was down at 12,125 tons, as against 17,525 tons in 1951. Net profit dropped to $2,152,554, from $4,246,134 in the previous year.

In 1952 Anglo-Canadian acquired a small interest in the newly formed Canadian Glassine Co. (see separate report) which has built a glassine and specialty paper mill near the company's plant. As well as supplying the slush pulp for the new mill the company has acquired a small interest in Glassine.

Anglo-Canadian also holds a 50% interest in Lignosol Chemicals Ltd. which opened its new $1.25 million Quebec City plant in June, 1951, to process white sulphite liquor into various forms lignosol.

Anglo-Nfld.

Anglo-Newfoundland Development Co. operates a newsprint mill in Grand Falls, Nfld. with an annual capacity of 230,000 tons of newsprint. It can also produce 15,000 tons of unbleached sulphite pulp and 4,500 tons of wrapper annually.

Through one wholly owned subsidiary, Gaspesia Sulphite Co. (see separate story under pulp companies), the company owns an unbleached sulphite mill at Chandler, Que., with an annual capacity of 82,500 tons. Through another subsidiary Terra Nova Properties Ltd. it is entitled to 50% of the net profits of Buchans Mining Co., an important Newfoundland zinc, lead and copper producer.

A shipping subsidiary and hydro-electric plant are operated on the Exploits River, both at Grand Falls and Bishops Falls, with a present installation of 75,000 hp and another 50,000 hp of undeveloped power available.

Timber areas total some 7,456 sq. miles, partly freehold and partly Crown lease. Capital expenditures during 1952 amounted to $3,853,281, the main project being conversion of a groundwood mill to a power plant and installation of a bleaching plant at Gaspesia.

Total production for 1952 amounted to 65,142 tons of unbleached sulphite pulp, down 14,302 tons from 1951. Pres. Elliott M. Little states that the drop was due to decrease demand which caused a two week shutdown and partly also due to the necessity of improving pulp quality. Consolidated net profit in 1952 amounted to $4,348,598, as against $8,227,382 for 1951. This included $2,482,461 ($2,726,065) from the parent company's operation.

Bowaters

Bowater's Newfoundland Pulp & Paper Mills Ltd. owns and operates a newsprint plant, sulphite plant, barking plant and power development at Corner Brook, Nfld.

Products are sold in the U. S., U. K. and the British Commonwealth through the subsidiary sales companies of Bowater Paper Corp., and its associates, who hold the entire outstanding common stock of the Newfoundland company. Most of the production is marketed under long term contracts to the company's subsidiary mills in Britain.

Properties include a newsprint mill with four 234-in. machines, one 120-in. machine and one 284-in. four-roll machine, having a total annual capacity of 300,000 tons. A 150-in. sulphite pulp drying machine has an annual capacity of about 55,000 tons. Power is supplied from a 156,000 h.p. hydro-electric plant at Deer Lake, 31 miles from Corner Brook.

The mill is situated on tidewater, at the mouth of the Humber River, open eight months of the year and is said to be one of the lowest cost producers in North America.

Timber holdings cover an area of over 11,230 sq. miles, 2,240 sq. miles of which are freehold and the balance held under Crown license. The total stand is estimated at over 20 million cords of pulpwood and, excluding the benefits of reforestation is considered sufficient to supply mill requirements in perpetuity.

Bowater's Newfoundland is currently in the process of a $10 million project designed to increase pulp and paper capacity by 50,000 tons annually. As part of this plant the company's slate is being enlarged.

Consolidated net profit for 1952 amounted to $4,617,474—up 13.5% from the previous year's net of $4,069,829. The company's fiscal year ends at September 30.

Production of company's mills increased during the year, Secretary J. G. Wyllie reported, but manufacturing and delivery costs also rose, while rise of the Canadian dollar in U. S. terms tended to reduce sales revenue.

During the fiscal year authorized capital was increased from £7 millions to £10 millions. Subsequently, $2.7 millions of the balance of earned surplus at Sept. 30, 1951 was capitalized and applied in paying up £1 million of common stock issued, credited as fully paid up, to existing common shareholders.

Issued capital now consists of $2.5 million in 4½% cumulative preferred stock and £5 millions in common stock.

Cons. Paper

Consolidated Paper Corp. is one of Canada's largest producers of newsprint and pulp and paper products.

Products of the company are marketed through a subsidiary, Consolidated Paper Sales Ltd. and include: standard newsprint paper, rotogravure, kraft paper (sold under the trade name of Wayagamack Pure Kraft), wrapping, paper-bags, millinery and cleaner bags, office folders, tags, gumming, waterproofing, waxing and creping, multiwall paper sacks, tissue paper, and foil; "Copaco" kraft paper towels; unbleached pulp, unbleached sulphite wood pulp; mechanical woodpulp; cardboard, sold under the trade name of Laurentide Board, splicing film used in the textile and paper industries as a joining; "Copacite," used by foundries, linoleum adhesive manufacturers and white and red pine lumber.

About half the company's pulp and paper products are exported to the U. S., while a considerable tonnage is sold in Canada and the balance distributed in Great Britain, Ireland, South Africa, Australia, New Zealand, and West Indies, China and India. Other export destinations are Mexico, Argentine, Brazil, Uraguay and Chile.

Paper mills are owned by the company at Shawinigan Falls, Grand'Mere, Port Alfred, Three River and Cap de la Madeleine, Que.

Consolidated controls 17,874 sq. miles of timberland, including 17,600 sq. miles in Quebec and 274 sq. miles in Ontario. It owns outright 3,652 sq. miles of freehold timberland, including the island of Anticosti and holds under license 13,914 sq. miles of Crown timber limits and has cutting rights on 308 sq. miles of other limits.

As part of its continuing large capital expenditure program the company spent $3,789,104 in 1952. These expenditures were made with a view to increasing production, improving the quality of the product and eventual lowering of costs.

Major projects included completion of the Pyrites plant for production of sulphur at the company's Laurentide Division; installation of additional facilities for unloading railwood, pulpwood at the Belgo division and increasing the barking capacity at the Belgo division; the replacement of the drying cylinders on a kraft paper machine at the Wayagamack division; and modernization of the machines at the Port Alfred division.

At the end of 1952 approved unexpended appropriation for replacements amounted to $1,917,532. During the year, maintenance expenditures amounted to $5,303,201.

Production in 1952 amounted to 829,676 tons of pulp and paper products. Net profit for the year was $10,337,981 as compared with $12,905,574 for the previous year.

Net working capital at the end of the year was $45,981,964. During 1953 profits for the first six months were $5,257,239, as compared with $5,506,693 during the same period in 1952.

Can. International

Canadian International Paper Co. is a wholly owned subsidiary of International Paper Co., New York. It manufactures newsprint and bleached and unbleached sulphite pulp. About 80% of its newsprint output is sold to U. S. publishers with the balance going abroad, mainly to England, Australia, and Latin America.

The company produces its bleached sulphite pulp at three mills, which also turn out a special grade used in manufacturing rayon, cellulose, plastic and allied products. Paper mills of the parent company and its subsidiaries in northern U. S. use up some of the bleached sulphite output.

Annual capacity of the company and its subsidiaries includes 821,096 tons of newsprint; 254,925 tons of bleached and unbleached sulphite; 120 million sq. ft. of insulating building boards; 31 million sq. ft. of hardwood panels; and 10 million paper bags.

Canadian International operates a mill at Trois Rivieres, Que., producing newsprint and unbleached sulphite; another mill at Gatineau, Que., turning out newsprint, bleached and unbleached sulphite; as well as mills at Kipawa and Hawkesbury, Ont., producing high-grade bleached sulphite.

The company's subsidiaries in- (Continued on page 38)

Newsprint Capacity, Output

Here's Canada's newsprint capacity and production: In 000's of Short Tons of 2,000 Pounds

Year	Rated Annual Capacity	Actual Production	Operating Percentage	Actual (a) Production	Value (a) 000's Dollars
1925	1,823	1,619	88.8	1,537	$106,269
1926	2,121	2,068	97.5	1,889	121,065
1927	2,716	2,290	84.3	2,083	132,287
1928	3,281	2,612	79.6	2,414	144,147
1929	3,468	2,984	86.0	2,725	150,800
1930	3,848	2,791	72.5	2,498	136,182
1931	4,217	2,516	61.8	2,227	111,420
1932	4,142	2,186	52.8	1,919	85,504
1933	4,149	2,282	55.0	2,022	66,960
1934	4,182	2,911	69.6	2,605	86,811
1935	4,263	3,083	72.3	2,765	88,436
1936	4,218	3,535	83.8	3,225	105,215
1937	4,211	3,998	94.9	3,674	126,424
1938	4,535	2,983	63.8	2,669	107,051
1939	4,633	3,175	68.5	2,927	120,859
1940	4,716	3,770	79.9	3,504	158,447
1941	4,703	3,771	80.2	3,520	158,925
1942	4,763	3,455	72.5	3,257	147,074
1943	4,678	3,219	68.8	3,046	152,963
1944	4,726	3,265	69.1	3,040	165,655
1945	4,672	3,592	76.9	3,324	189,024
1946	4,641	4,506	97.1	4,162	280,810
1947	4,729	4,820	101.9	4,474	355,541
1948	4,883	4,983	102.0	4,640	402,100
1949	5,113	5,176	101.2	5,187	467,976
1950	5,227	5,279	101.0	5,318	506,968
1951	5,360	5,516	102.9	5,561	564,361
1952	5,510	5,687	103.2	not available	
1953 (est.)	5,723	5,750	100.5	not available	

(a) Dominion Bureau of Statistics figures. These do not include Newfoundland, except in 1949 and later years, but do include relatively small quantities of hanging paper, poster paper, and side runs for pulping.

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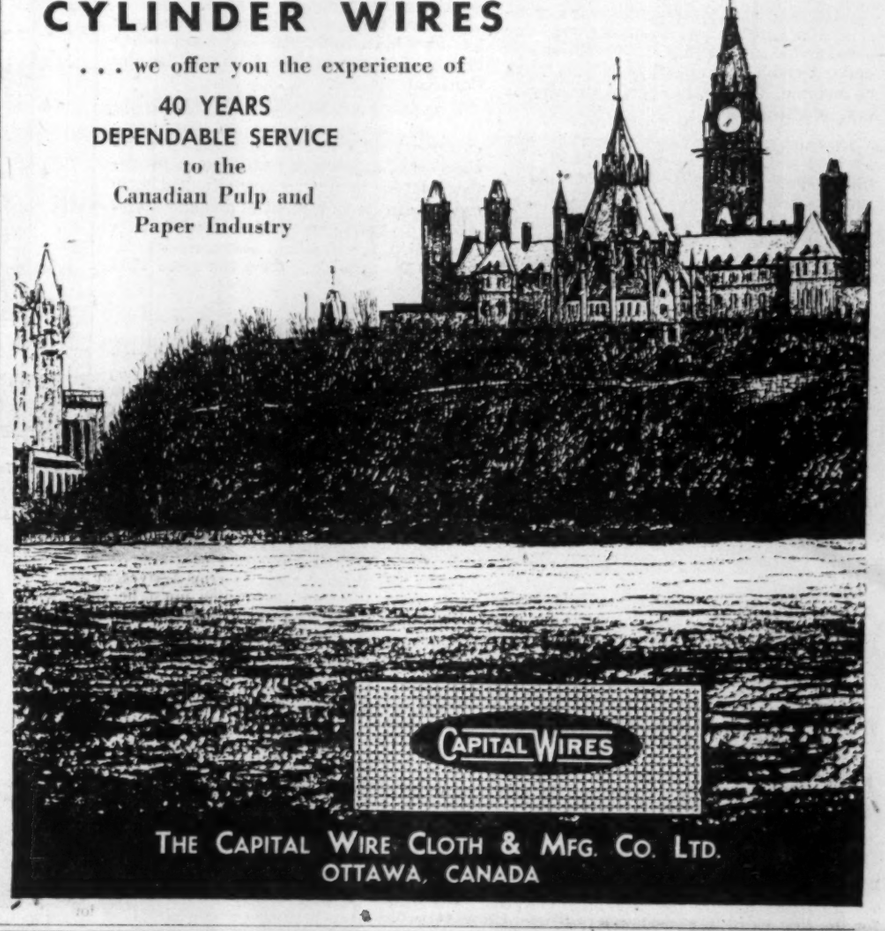

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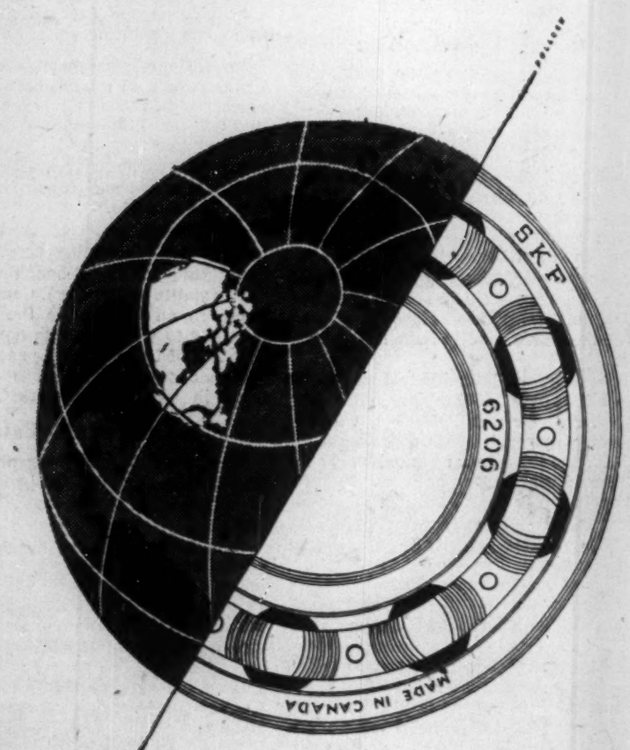

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The raw material. When pulpwood crop arrives at mill, logs are usually cut to size, barked and stored in huge piles, which must be sprayed to prevent fires. Wood pulp output now stands at 8.8 million tons. With domestic paper makers absorbing over 75% of total pulp output.

Looking for an excellent benchmark of Canada's industrial growth of the last 15 years?

Take a glimpse at wood pulp.

That's the raw material for paper and paperboard of all kinds, also goes into such things as rayon, Cellophane, plastics, photo film. It's been one of the pacemakers in the expansion of the Canadian economy.

Production last year totaled 8.8 million tons, off 4.4% from 1951 but still double the 1939 level. Backed by Canada's vast forest resources, it shows promise of great future growth.

Most of the 1939-52 expansion has resulted from steadily growing demand from domestic papermakers, who absorb over 75% of the total pulp output. Biggest contributor has been the newsprint industry, but production of most other paper products has at least doubled since prewar.

In addition, a large share of the increase stems from the fact that Canada has moved into the export field in a much bigger way, taking over large markets formerly served by other producers. In recent years, close to half the country's output of chemical pulps has been moving into international trade.

Foreign Markets

With exports of "market pulp" assuming much greater importance than prewar, let's look at how 1953 business in outside areas has shaped up:

To the big United States market, shipments of bleached and unbleached sulphate or kraft pulp have been up from 1952 so far and should remain roughly at first half levels for the balance of the year, according to industry observers. Bleached sulphite has also been higher and sales will probably increase, particularly of dissolving grades. Unbleached sulphite has been down but demand has sharpened and further improvement is expected. For the full year, it's thought that total pulp exports to the U.S. will probably be off slightly from 1952 due to lower unbleached sulphite and groundwood pulp sales. But the drop is expected to be less than 5%.

To the United Kingdom, shipments of all grades except dissolving pulp were down from 1952 for the first half. However, sales picked up sharply in the second quarter and this improvement should continue. For the full year, a total volume down only 3%-4% from 1952 looks to be in the cards.

In other markets, the picture is mixed. Total shipments to Europe and Latin America will probably be off substantially, while those to the Far East may show a small gain, it's thought. Over-all, sales in these other areas may be down 30%-40% for the year.

Thus, based on present indications, it appears that Canada's wood pulp exports this year will probably total between 1,860,000 and 1,880,000 tons, compared with 1,940,000 in 1952. For the first seven months of 1953, they amounted to 1,097,000 tons, against 1,128,000 a year earlier.

Exports On Rise

A significant point about 1953 export volume, however, is that it has been rising, even though the total is still below 1952. Last year, exports were at record levels in the first three months, slipped sharply in the second and third quarters and finally rallied in the October-December period. This year, the pattern has been reversed.

Canadian pulp exports hit a record 2,243,000 tons in 1951. The drop to 1,940,000 last year resulted almost entirely from lower demand and stiffer competition in United States.

Shipments to the U.S. in 1952 fell by 13% to 1,589,000 tons (1,831,000 the previous year), while sales to the United Kingdom, Canada's second biggest outside market, showed a slight dip at 211,000 tons (217,000). Other countries took only some 7% of the total and in those areas results varied—in some (such as Australia), shipments were up, in others (Europe and the Far East) they were down, and in a few places (such as Latin America) almost no change was shown.

The dip in American demand reflected an inventory readjustment following a period of overproduction. Actual U.S. consumption of paper and paperboard remained steady but output dropped by over 6% as large stocks accumulated in the supply pipelines during hectic 1951 were worked off.

American pulp production showed only a tiny 0.3% decline last year, while imports dropped by 13%. But in the keen race to provide that country's needs for outside supplies, Canadian mills came out on top.

While they shipped 13% less into the U.S. market, their Scandinavian competitors suffered a 25% decline at 356,000 tons. This better relative showing was probably partially due to the Canadian mills' pricing policies and a feeling among some U.S. consumers that Canada holds more promise as a dependable long-term source of supply.

In the boom 1951 market, European pulps sold at well above Canadian levels, then tumbled sharply as the market began to sour in the second quarter of 1952. In addition, the Scandinavians last year removed their export taxes, which had been applied during the price upswing; thus the normal drop in price was more marked and generated very heavy inventory losses for those who held pulp and paper bought at higher prices.

But the Scandinavians did improve their position in the U.S. market, at the expense of Canadian pulps, in the late months of 1952. And this has continued in 1953.

Value of Canada's 1952 pulp exports at $291.9 millions, was off 20% from $365.1 millions in 1951, reflecting both the drop in shipments and the 15%-30% price cuts of the final nine months.

More Use At Home

While exports were down, domestic use of pulp established another new record. At 6,866,149 tons, it was up 0.2% from 1951's 6,849,063. A new high in newsprint production was enough to offset drops in output of other paper products.

Pulp markets — export and domestic—started to improve late in 1952 and have continued to strengthen this year.

On the domestic front, newsprint production will likely establish another new high, while output of fine papers, paperboard, wrapping paper, etc. has been on the upswing and will probably be ahead of 1952 for the full year.

In the U.S., with the inventory cycle completed, paper and paperboard production for the first half showed a 9.6% increase over the same 1952 period, despite an 8% drop in newsprint output.

American paper mills in mid-August were operating at about 94% of rated capacity, against 87% a year earlier, while paperboard producers were bowling along at a 98% clip, compared with 89% in August, 1952. Despite some indications that paperboard production is currently exceeding demand, U.S. experts are predicting that American output of paper and paperboard this year will reach or slightly top 1951's record 26 million tons.

Earlier this year, world pulp inventories were at high levels. However, these have been worked off now to a considerable extent and the pulp market appears to be stabilizing. Producers expect demand to hold for at least the next few months.

Sulphite, Kraft

Bleached grades of both sulphite and kraft have shown the most pronounced recovery this year, and exports of these grades have recently been running ahead of even 1951. Unbleached kraft demand has strengthened considerably and shipments in recent months have been up from last year's levels. The "weak sister" is unbleached sulphite, for which markets are rather limited, but here too sales have improved although still well below 1952.

For the first seven months of 1953, exports of bleached sulphite rose 7.4% from the same period of last year, totaling 348,600 tons. Shipments of bleached kraft climbed 9.6% to 306,000 tons, unbleached kraft 3.5% to 92,900 tons. Unbleached sulphite was down 25.4% at 136,800 tons.

Use of all grades of pulp in Canada has been up this year from 1952, totaling 4,035,000 tons for the first seven months against 4,009,283 a year earlier. It now looks as though this gain will offset the expected small reduction in exports, resulting in a total pulp production for the year just about equal to 1952's 8.8 million tons.

While demand has been better, prices have so far shown no signs of improvement. Nor is much change likely for the balance of the year, industry sources report.

Scandinavian prices in the American market are still running generally $5 to $15 a ton under those of Canadian mills, and in some cases unbleached sulphite has been offered at as much as $20 a ton below. This has enabled the Scandinavian producers to chalk up some impressive gains this year in the United States import picture, as shown in the accompanying table.

For the first half, U.S. imports from Scandinavia were running at an annual rate of about 500,000 tons. This puts them back up closer to some of the earlier postwar years, from which they slipped in 1951 after United States clamped a lid on prices. They're still less than half 1939 levels.

Marketing Shift

There has been a basic shift in the international pulp marketing picture since prewar days, vitally important to Canadian producers.

The Scandinavians, as a group, were and still are top dog in the over-all export picture. But their margin has narrowed. Among them, the Swedes, Finns and Norwegians accounted in 1938 for around 80% of all pulp moving in international trade, against a present-day roughly 60%.

After 1939, many countries were cut off from Scandinavian supplies. That left a vacuum, particularly in the United States, which

(Continued on page 40)

The U. S. Pulp Market

U. S. IMPORTS	1952	1951	Chge. %	1st six mos. 1953	1st six mos. 1952	Chge. %
	000's of tons			000's of tons		
Bleached Sulphite:						
from Canada	435	481	—9.6	222	182	+12.2
from "others" ...	62	91	—32.9	63	26	+134.6
Unbleached Sulphite:						
from Canada	317	406	—21.9	126	178	—29.2
from "others" ...	126	123	+1.3	74	35	+111.4
Bleached kraft:						
from Canada	472	459	+2.8	255	238	+7.2
from "others" ...	70	72	—3.1	68	31	+119.3
Unbleached kraft:						
from Canada	115	163	—29.4	69	57	+21.1
from "others" ...	72	158	—54.4	69	23	+200.0
Groundwood:						
from Canada	211	274	—23.0	74	103	—29.2
from "others" ...	28	34	—20.1	24	3	+700
Total:						
from Canada	1,589	1,832	—13.3	766	780	—1.8
from "others" ...	358	478	—25.2	298	118	+152.5

Note: "others" is almost entirely the three Scandinavian producers, although there have also been some shipments from Austria and Germany.

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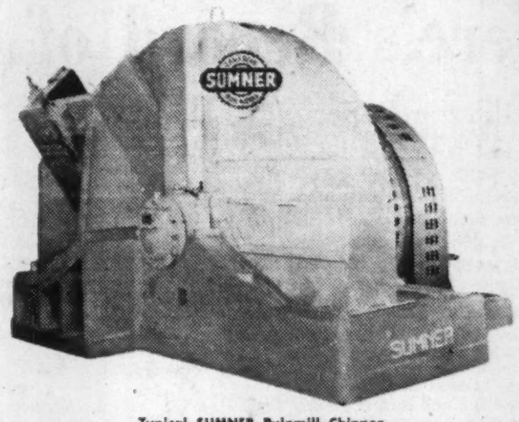

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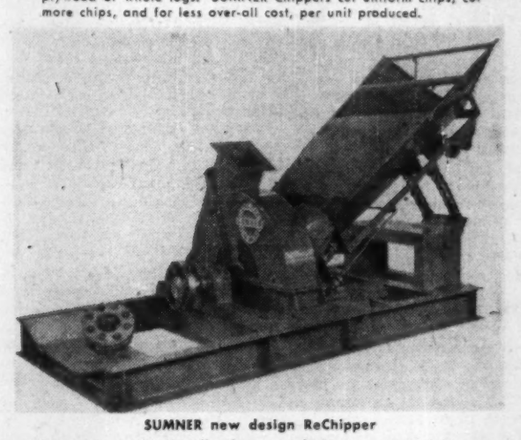

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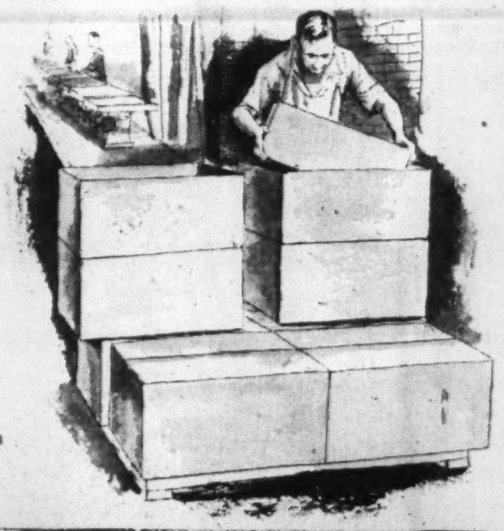

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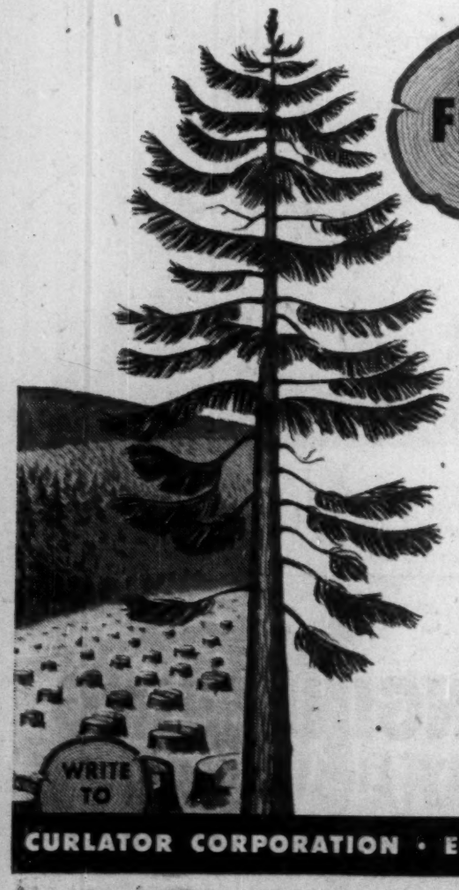

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Here's Record of Growth of the Fine Paper Producers

Alliance Paper

Alliance Paper Mills Ltd., a wholly owned subsidiary of Howard Smith Paper Mills Ltd., operates two paper mills, a sulphite mill at Merritton, Ont., and a coated paper plant at Georgetown, Ont.

One mill at Merritton is the sole Canadian producer of a wide variety of greaseproof, glassine, cellucine and carbonizing papers. At the other Merritton mill bleached and unbleached sulphite pulp and various tag stock, board and duplex papers are made. At Georgetown coated litho and coated specialty papers are manufactured.

Don Valley Paper Co., a subsidiary, has a paper mill at Toronto which produces cover, blotting and many specialty papers and bristols. A subdivision of this plant makes printed flour, potato and other bags and sacks.

Total annual capacity of the Alliance plants, not including the new paper machine at Merritton, is as follows: two paper mills with two Fourdrinier machines of 10,000 tons capacity and a cylinder machine of 4,000 tons; a sulphite pulp mill of 30,000 air dry ton capacity; and a coating plant of 7,500 tons capacity. Major expenses during 1952 included the installation of a new paper machine at one of the Merritton mills and an extension to the steam plant at the other. In the Georgetown division a new calender stock was installed to facilitate finishing operations and new equipment designed to produce high gloss coated papers will shortly come into operation.

Another Alliance subsidiary, Lincoln Pulp and Paper Co., holds by Crown lease about 281 sq. miles of timber limits, adjacent to the Little Cascapedia River, Quebec.

Financial and operating statistics are consolidated with those of Howard Smith Paper Mills Ltd. under the fine papers section.

Eddy Paper

Eddy Paper Co. is an investment and holding company. Its subsidiary, E. B. Eddy Co. (see separate write-up) operates an integrated pulp and paper organization manufacturing and distributing wide range of paper products.

The parent company's outstanding capitalization at Dec. 31, 1952 consisted of $4 million $1 cumulative convertible noncallable $20 par class A stock; and 600,000 (200,000 issued) n.p.v. common shares. The outstanding common shares are all owned by the J. R. Booth Ltd.

Outstanding funded debt of the subsidiary at the close of last year included $2,961,000 series A 3½% bonds due June 15, 1966, $2,230,500 series B 4% bonds due June 15, 1966 and $4 million series C 4¾% bonds due May, 1969.

Consolidated net profit for the year amounted to $782,184, as against $1,406,694 in 1951.

E. B. Eddy Co.

E. B. Eddy Co. is the operating subsidiary of Eddy Paper Co.

The company's products fall into four major catagories; consumer products which include toilet tissue, towels serviettes, and other tissues; fine and speciality papers including Cheneaux Bond for stationery and business forms, Ancaster Book for catalogues, calendars, books, etc.; Wellington Offset for letterpress printing or offset lithography; Tecumseh Bristol for display cards, and tickets; Post Card Bristol for postcards, and writing surfaces; Guardian Index Bristol for file and index cards; Mohawk Bristol for tags, tickets display material and booklet covers; Multiscript Duplicating for office duplicating machines; and Multicopy Duplicating a duplicating paper for offset letterpress printing. Other products include a wide variety of specialized papers as well as paperboard for the food packaging industry printing, and newsprint.

Majority of the company's newsprint output it sold under long-term contracts. Other products are distributed in Canada through the company's own sales organization or in the U.S. and overseas through agents.

The company operates three mills on the Ottawa River, one in Ottawa, two in Hull, Que., with a combined rated annual capacity of 150,000 tons of finished products. Capital expenditures totalling $2,666,753 were made during the year, nearly all the money being spent on the mills, with a small amount going toward additions and replacements of woodlands facilities.

Plant expenditures in 1953 and projects under way at the end of 1952 amount to $2,250,000. The 1952 annual reports states that all these expenditures are part of a balanced program, designed to maintain a competitive quality of products and to realize efficiencies so necessary to offset the increasing cost of labor, freight and materials.

Timber limits leased and licensed to the company amount to over 5,800 sq. miles providing an estimated potential perpetual yield of 160,000 cords annually. Present annual consumption totals around 180,000 cords and the company's timber reserves are conserved by purchase of some 50,000 cords of private lands wood a year. Bulk of the timber resources are located in the Gatineau and Ottawa River water sheds, permitting the use of these rivers for driving the logs to the mills.

About 60% of the company's power requirements are provided for its three hydro electric plants on the Ottawa River, with balance being supplied by Gatineau Power Co.

The 1952 annual report states that it was a difficult year in the fine and specialty paper and paperboard industry, because of backward adjustments of inventory throughout the trade resulting in irregular mill operations and stiff reduction in overall volume. Consolidated income of the company amounted to $782,184, as against $1,406,694 in 1951. (These figures do not include the earnings of the partly owned subsidiary, Sidney Roofing & Paper Co.)

Total sales of all grades in 1952 amounted to 118,755 tons compared with 131,165 tons in 1951. Newsprint shipment rose by 2,453 tons to 50,413 tons, while shipments of other products declined by 14,863 tons. Exports other than newsprint, while buoyant in the early part of the year, dwindled in later months and totalled 2,341 tons for the year 1952, or 825 tons less than in the previous year.

It is stated that falling off in sales demand accounted in large measure for the drop in earnings in 1952. The necessity to make deliveries on shorter notice reduced paper machine efficiency, because it meant making much more frequent changes of grade to manufacture smaller quantities. A further important factor is the substantial increase in depreciation resulting from heavy capital expenditure in recent years in accordance with larger plants for the improvement and modernization.

Fraser Cos.

Fraser Companies Ltd. through its wholly owned Fraser Paper Ltd. manufactures and sells sulphite specialty papers and groundwood specialty papers, including bond, catalogue and waxing papers.

The company's Madawaska, Maine, paper mill has a daily capacity of 290 tons of sulphite specialty papers and 150 tons of groundwood content papers. Chemical and groundwood pulp—raw materials for the mill—are supplied by the parent company being pumped in semiliquid form directly from Edmundston across the St. John River.

President Aubrey Crabtree reports that during 1952 demands for all grades of paper and paper board fell off and by midyear the backlog of orders had practically disappeared. The mills, however, were able to obtain reasonable operations throughout the year, although shorter runs involved more frequent changes in machines.

"Prices for certain grades of paper and export prices for paper board eased during the last half of the year," he adds.

Total pulp and paper production of the company during 1952 amounted to 227,779 tons, as compared with 256,173 tons during 1951. Net profit for the year totaled $3,455,575, as against $5,433,633 in 1951.

Provincial Paper

Provincial Paper Ltd., wholly owned by Abitibi Power & Paper Co., manufactures and distributes high grade book, litho, bond, coated and writing papers. Total capacity of Provincial's four plants is 89,365 tons per year.

The Georgetown, Ont., plant is a paper coating mill. The Mille Roches, Ont., plant has one paper machine with a daily capacity of 30 tons; this mill is to be flooded after the St. Lawrence power and seaway project has been completed, and one of its paper machines has already been moved to Thorold, Ont.

The Thorold plant, which has three paper machines with daily capacity of 100 tons, was enlarged in 1951 to five acres. At Port Arthur, Ont., the two paper machines have daily capacity of 95 tons and sulphite mill has 60-ton daily capacity. Installation of the second machine-coated paper unit at Port Arthur, completed in 1950, about doubled Canada's production.

"The demand for fine papers now appears to be reasonably stable," said Abitibi President D. W. Ambridge recently, "and production in mills of Provincial Paper Ltd. is at a high level."

Rolland Paper

Rolland Paper Co. manufactures high-grade bond, writing, letter, airmail, offset and mimeograph papers.

Plants are at Mont Rolland and St. Jerome, Que., where annual production is 10,000 tons of sulphite bond and rag stock paper and 15,000 tons of high grade rag stock and sulphite bond paper respectively.

Power plants on the North River provide electricity for the mills, while additional energy is purchased from Gatineau Power Co. The company prides itself as being one of the first in the industry to use an automatic weight control process utilizing atomic energy.

Company mills did not operate at full capacity throughout the year, but during the last quarter, according to President Lucien G. Rolland, there was a steady improvement in the volume of orders booked. Net profit amounted to $265,830, as compared with $338,324 in 1951. Working capital during the year was increased by $162,614 to $1,813,827.

Capital expenditures during the year totaled $213,740 with a further $167,000 authorized but not expended at the end of the year.

Capitalization of the company at Dec. 31, 1952, consisted of $3.4 millions authorized, $1,450,000 outstanding, 3% to 4% first mortgage bonds, due 1953-64 (not including $75,000 due Apr. 1, 1953); 25,000 authorized, 17,000 outstanding, $100 par 4¼% cumulative redeemable preferred shares; and 100,000 authorized n.p.v. common shares, with 6,000 outstanding.

Howard Smith

Howard Smith Paper Mills Ltd., with its subsidiaries, is the largest Canadian producer of fine and specialty papers. The organization makes over 500 grades of paper, sold throughout Canada—exported to Great Britain, South Africa, New Zealand, Australia, South America and other countries. Pulps and byproducts include bleached sulphite, bleached soda and groundwood pulp; vanillin, and tomlinite.

Through subsidiaries, it controls plants turning out groundwood, bleached and unbleached cloth and sulphite pulp, glassine, greaseproof, wrapping, toilet and coating papers, tags, paper bags and specialties, and paper cloth base paper laminates.

Combined annual productive capacity, including wholly owned subsidiaries, totals over 175,000 tons of bond and letter papers, Bristol boards, book and writing papers, tissues, kraft papers, glassine, greaseproof bag and building papers, and many other specialties. In addition, Arborite Co. (see special report) produces about 3,000 tons annually of paper and cloth base plastic laminate. At current rate production, some 108,000 tons of pulp are available for sale, including about 27,000 tons of sulphite pulp, 50,000 tons of soda pulp, 22,000 tons of sulphate pulp and 9,000 tons of groundwood pulp.

Plants of Beauharnois, Cornwall and Crabtree Mills divisions are owned directly by Howard Smith Paper Mills Ltd. Those of the Windsor Mills division are owned through Canada Paper Co. Those of the Merritton, Georgetown and Toronto divisions are owned through Alliance Paper Mills Ltd., and the Ville La Salle, Montreal plant through Arborite Co.

Total 1947-52 capital expenditures amounted to some $34 millions, including $6.5 millions in 1952. Major projects during the year included the modernization expansion of the soda pulp mill in Cornwall, some major insulation changes at the Canada Paper Co. plant, the completion of a new paper machine and the extension of the steam plant at Alliance Paper Mills Ltd.; completion of new pulp drying machine at Donnacona Paper Co., and winding up of the current extension program under way since 1950 at the Arborite Co.

Despite the increased productive capacity available, the total tonnage of paper produced by the company in 1952 was down 2.6% due to a decrease in demand. President E. Howard Smith states in his annual report that the demand for all grades of woodpulp fell off drastically during the second and third quarters while demand for other company products was weak and spotty. He states that due to the heavy backlog of orders at the beginning of the year, paper machines were able to run full in the first quarter, but were shut down periodically due to lack of orders in the latter half of 1952.

Up to March this year, paper machines were operating five to six days a week, while pulp mills averaged about 80% of capacity.

Consolidated net profit for 1952 amounted to $3,826,882, as against $4,914,725 for 1951.

Because of the "unsettled state" of the pulp market, the construction of a proposed sulphate mill at the Crabtree division originaally slated to get under way during the year has been deferred. Some changes to the lightweight paper machines at that division are being carried out this year, however.

Timberlands of the Howard Smith organization, not including those of Donnacona, consist of some 3,300 sq. miles in Ontario and Quebec. In addition a wholly owned subsidiary has a right to locate another leasehold of timber area in Quebec of about 200 sq. miles.

The company acquired controlling interest in Donnacona Co. in 1948. On August 18, 1951, an offer of exchange to Donnacona stockholders, except residents of the U.S., was made on the basis of one share of Donnacona for 1¼ shares of Howard Smith. At Dec. 31, 1952, the company had acquired 344,145 shares, equal to approximately 90.7% of Donnacona issued and outstanding stock.

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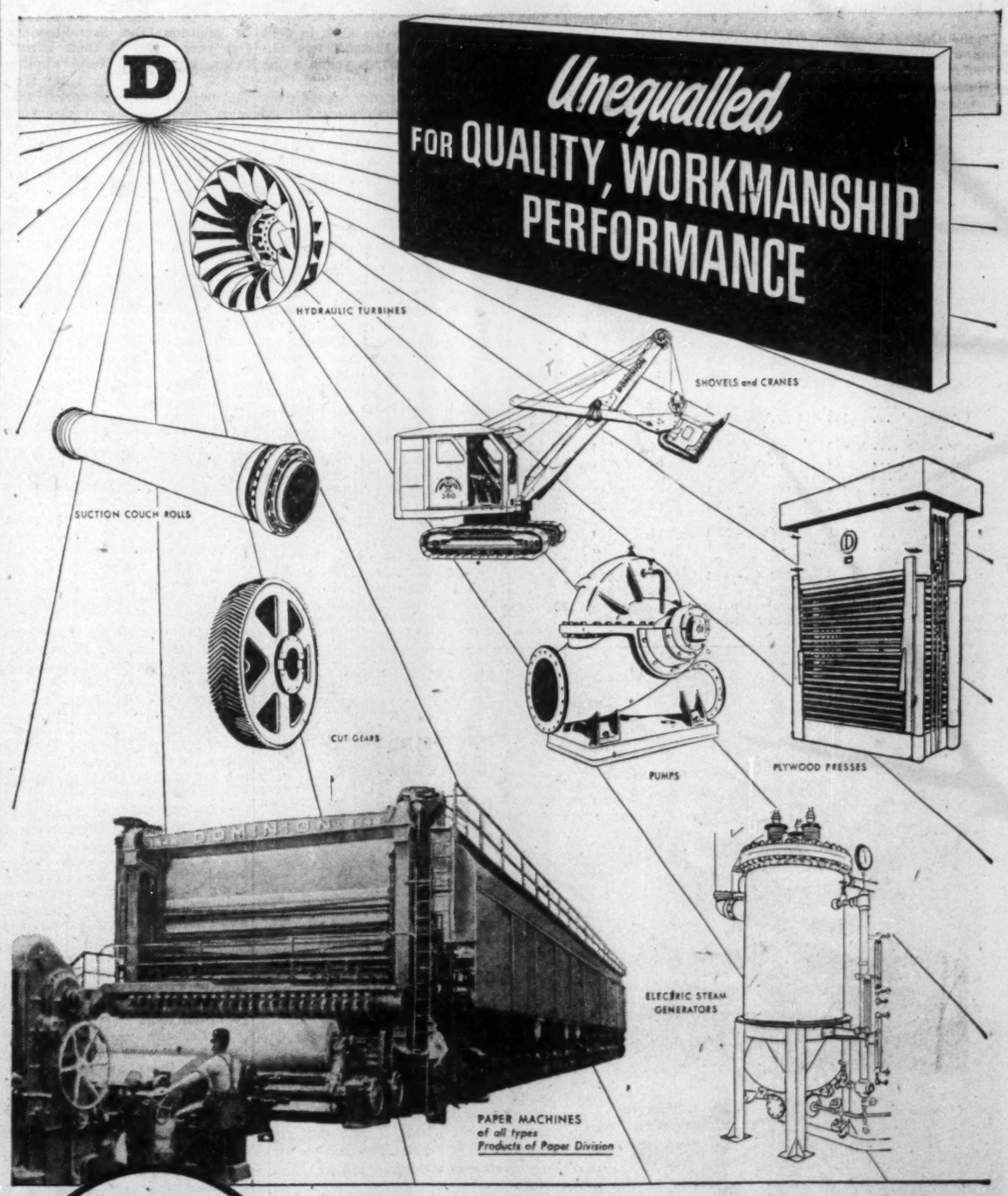

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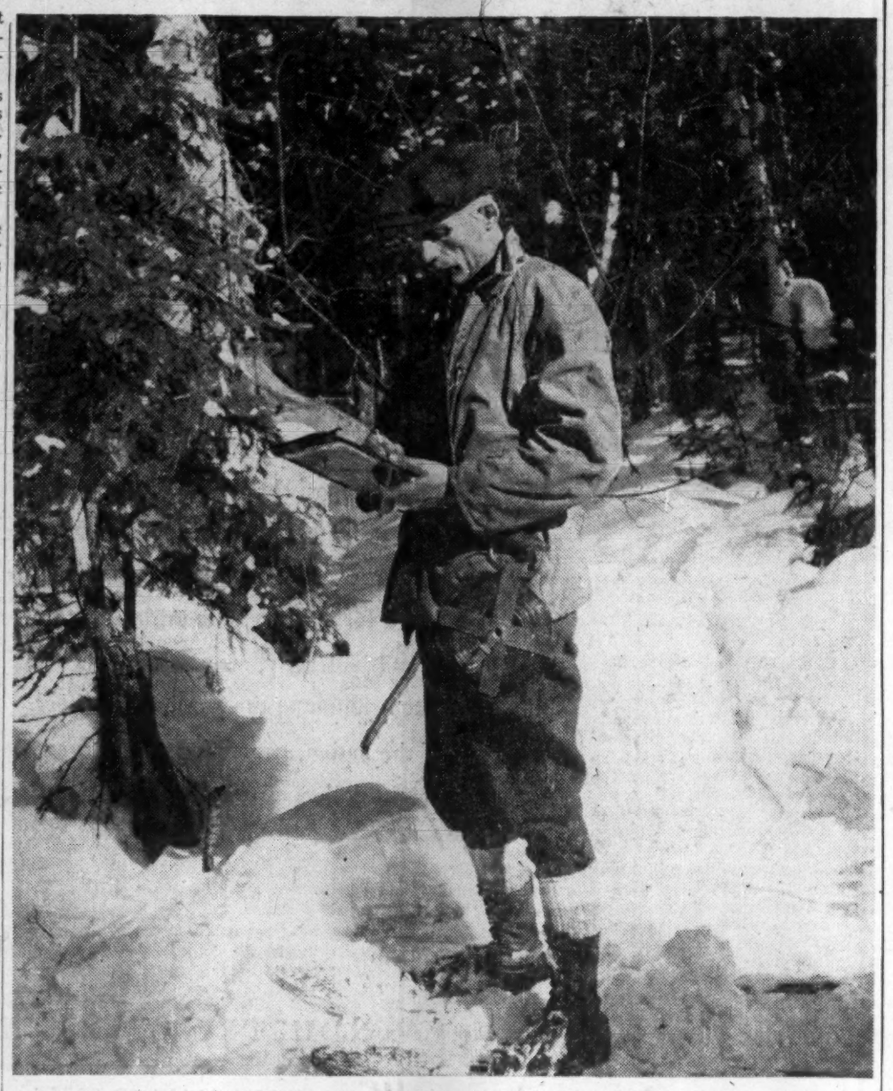
"Today," says one expert, "we don't refer merely to the number of square miles of timber limits we have, nor even to the total volume of wood. We talk about the annual growth in that area and the size of operation it will support in perpetuity. That's the important thing."

Gone are the free-wheeling pioneer days when our timber wealth was carelessly squandered. Now, the emphasis is on scientific forest mnaagement. And while there's still lots of room for improvement, the utilization of our forests is steadily being put on a sounder basis.

The basic aim: to achieve a balance between growth and cutting which will result in a sustained yield. Other objectives: to raise the allowable cut by speeding up annual growth, fostering propagation of wanted species of trees, or those nature prefers to grow, and eliminating or cutting down waste, fires and disease.

There's good reason to take plenty of care with Canada's woodlands. Directly and indirectly, they generate one out of every four income dollars that go into the pockets of all Canadians.



Timber cruiser plays key role in woods operations. He makes ground survey of types of trees and density to plan cut, but more than that, data he and air surveyors collect enable management men to plan ahead on sustained yield basis.

Pulpwood Cut Climbs

The pulpwood cut in Canada has more than tripled since 1920, more than doubled since prewar, largely due to the terrific growth of the domestic pulp and paper industry. It totaled 14.1 million cords last year. Along with an increased cut of timber for other uses, this has meant a much heavier drain on the forests.

It's still generally assumed that Canadian woodlands would support a larger annual drain. But the volume of consumption (including the 20% destroyed by fire, insects and disease) seems to be at least starting to approach the volume of annual growth.

So forest management has taken on a new significance for the nation as a whole. And, happily, the nation's interests parallel those of the pulp and paper industry.

A vital first step toward making sure Canada's timberlands are not overcut is a full knowledge of forest inventories across the country. Individual pulp and paper mills, of course, have plenty of data on their own wood supplies, growth rates, etc., and many have been operating on a sustained yield basis for years now. But for the forests as a whole no complete estimates of the volume of wood and the rate of regrowth are yet available.

Statements that the annual increment appears to exceed the annual depletion are always tempered by that fact.

Vigorous efforts to take stock are now being made by most provincial governments. Of course, the claim is often made that inventories may be out of date before completion and there are arguments over the most economical and useful type. But the surveys under way should make a very important contribution to long-term timber management.

Forestry Act

In many cases, the work is being speeded by the Canada Forestry Act. Under this, the Federal Government agreed in 1951 to pay half the cost of provincial inventories. By March, 1953, Ottawa had paid out close to $1.6 millions on this work and the fiscal 1953-54 appropriation was $1 million.

Seven of the 10 provinces signed on for this particular federal assistance and these expect to have their inventories completed by 1956. The three exceptions are Quebec, which is doing its own; Prince Edward Island, whose resources are not large enough to warrant participation; and Newfoundland, which expects to take advantage of it in due course to finish a forest inventory started a few years back.

Here's a progress report, province by province.

In British Columbia, where extensive inventories have been taken in the past, a five-year program is well under way. About one-third of B. C.'s 230 million acres has been covered by standard forest survey. All areas have been covered by aerial photographs and, through photo interpretation, all forested areas have been delineated and classified as mature, immature or unstocked.

Alberta felt its first need for long-term planning was an overall comprehensive picture and has been concentrating on a fast, relatively inexpensive inventory to get forest management on a fairly sound basis. This will give a complete picture in general way — enough to initiate sustained-yield management by major watersheds.

In Saskatchewan, where the timbered area suffered a tremendous drain during the war, a forest inventory was launched in 1947, is about 75% complete. It takes in some 28,000 sq. miles of accessible forested land, plus a reconnaissance survey on some private forests adjoining the Crown land and on part of the accessible forests farther north.

Manitoba's inventory, started in 1950, is about half finished. The whole productive forest zone, 118,700 sq. miles, has now been photographed.

In the East

Ontario started an inventory of 172,000 sq. miles of accessible forest in 1946, has since extended this to include 30,000 sq. miles in the southern agricultural area of the province and 75,000 sq. miles to the north which is presently inaccessible. Work is over half completed.

In Quebec, the total Crown forest land is 238,700 sq. miles. Of this, 8,700 sq. miles of township reserves and vacant land and 70,500 sq. miles of timber limits have been surveyed. Plans are to survey the balance in the next few years. Photo topographic surveys have been completed over almost all Crown Lands and the province is now organizing a perpetual inventory system for its forests.

New Brunswick published an inventory of its forest resources in 1938. An aerial photographic survey was made in 1944-45 and a provincial forest inventory is now under way.

Nova Scotia is getting its inventory started this summer. Cape Breton should be completed by a year from now and next year the work will be continued on the mainland.

Newfoundland has been concentrating on the big timber resources of Labrador in recent years. A full-scale photographic survey carried on in 1947-49 indicated over 40 million cords of prime black spruce in the Lake Melville area and further work is now being done to determine possibilities of development.

Completion of these various surveys will give government foresters a much better fund of data to draw on in setting up long-term plans for harvesting Canada's timber.

Meantime, the pulp and paper companies are continually striving to improve operations on their woodlands. Most mills already have wood in perpetuity and the others are working toward it. Sustained yield has been the indus-

(Continued on page 39)

View of one of several buildings sided with Trafford Tile at the Sturgeon Falls Mill of Abitibi Power & Paper Company, Limited.

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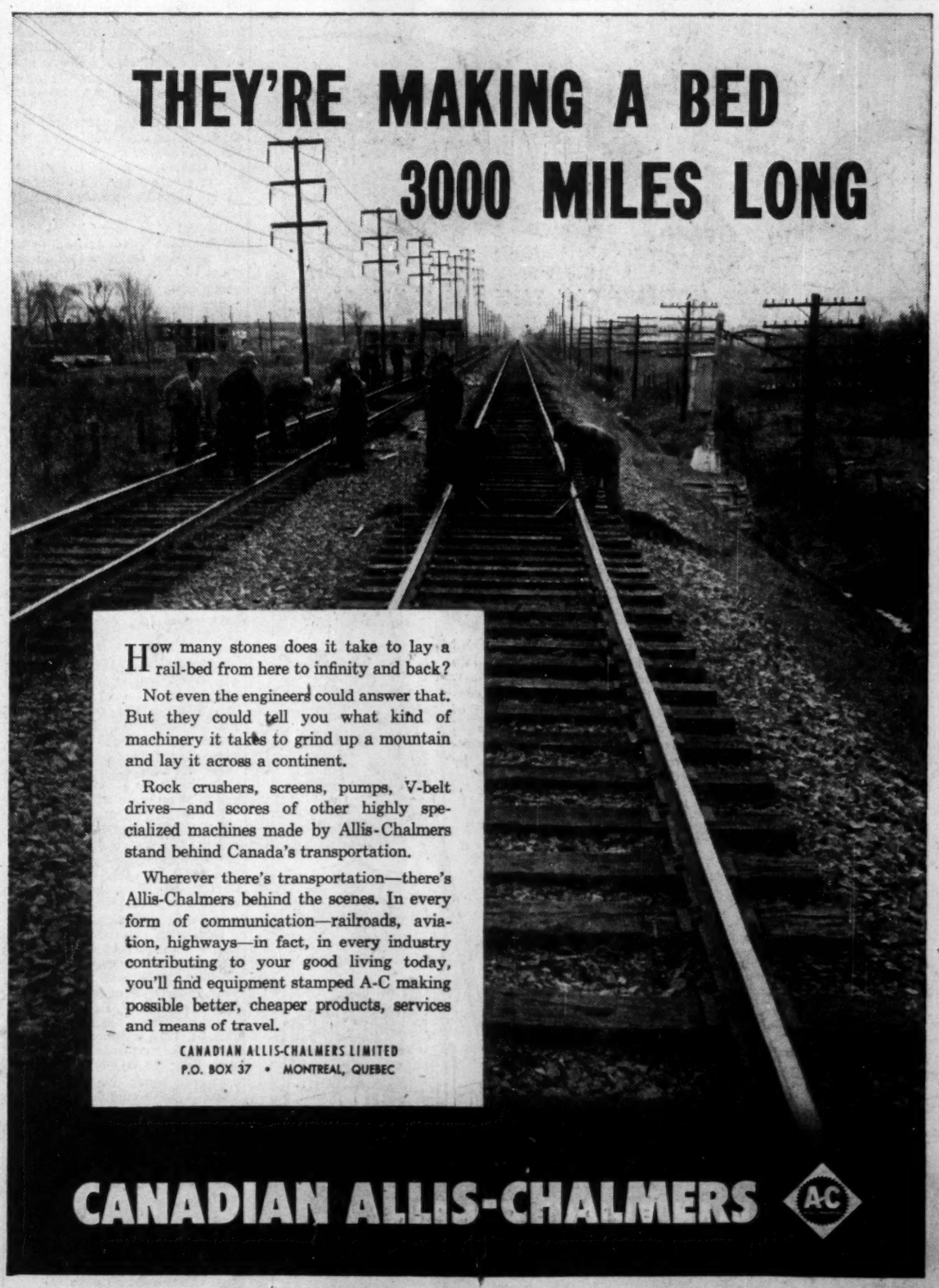

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Progress Report on Newsprint Firms

(Continued from page 34)

clude: New Brunswick International Paper Co., producing newsprint at its Dalhousie, N.B., mill; International Fibre Board, turning out "Ten-Test" Insulating building board at Gatineau, Que.; International Plywoods Ltd. producing hardwood panels at Gatineau; and Continental Paper Products Ltd. making paper bags, sacks, and envelopes at its Ottawa plant. The company also hold a 50% interest in Masonite Co. of Canada, which produces masonite boards at Gatineau.

At the Hawkesbury mill an extensive rebuilding program has been under way and was successfully completed by the end of 1952. The mill is now producing some of the special new grades of hardwood dissolving pulp developed at the adjacent company's laboratories owned by a subsidiary — Industrial Cellulose Research Ltd.

While no other major changes were made in the company's Canadian operations during the year, the annual capacity of the company's paper board pulp mill was increased by approximately 71,000 tons raising the total annual mill's capacity of the company to over 4 million tons.

Output of the company's products in Canada in 1952 amounted to 1,044,491 tons as compared with 1,067,593 tons in the previous year. Of this 822,806 (801,256) tons was newsprint, 217,149 (261,639) tons was dissolving and other sulphite pulp, while other pulp and paper grades accounted for the balance of 4,536 tons (5,098).

Financial statistics of the company are consolidated with those of International Paper Co. which reported total sales last year of $631,420,992 as compared with $637,385,653 for the previous year. Net profits amounted to $52,125,952, as against $56,819,172 in 1951.

President John H. Hinman told shareholders at the annual meeting that the net profits for the first quarter of 1953 was higher than for the previous year at $13,795,977 as compared with $12,746,594 for 1952. Mr. Hinman noted that both labor and transportation costs will be higher in 1953 and that the company's divisions and subsidiaries will be engaged in their annual negotiations for renewal of labor contracts during 1953. He said that production of finer grade during the first three months of the year totaled 1,200,000 tons.

"This," Mr. Hinman commented, "was at an annual rate of more than four million tons, the highest for any calendar quarter in the company's history."

Donnacona

Donnacona Paper Co. produces newsprint, sulphite pulp and insulating board. Some 90% of the newsprint output and about 55% of the sulphite pulp available for sale is marketed in the U. S., while sale of insulating board products is worldwide.

Annual saleable capacity of its mill at Donnacona, Que., is 105,000 tons of newsprint, 35,000 tons of sulphite pulp and 100 million square feet of insulating board.

Directly or through its subsidiary, the D. P. Power Co., Donnacona owns water power on the Jacques Cartier River at its junction with the St. Lawrence, with a fresh development of 12,000 hp and an ultimate capacity of about 46,000 hp. The balance of the mills' power requirement is purchased under an agreement with Shawinigan Water & Power Co.

Donnacona owns in fee or leases timberland adjacent to the St. Lawrence comprising practically all the stand in the water sheds of the Jacques Cartier, Sault au Mouton and Bersimis Rivers. Totalling about 1,800 sq. miles, this land contains an estimated 11.9 million cords of pulpwood. Of the total held under lease or freehold, 752 sq. miles is the company's share of the Bersimis timberland purchased by Donnaconna and Anglo-Canadian Pulp & Paper Mills from Brown Corp. in 1947.

Donnacona's five wholly owned subsidiaries include: Quebec Paper Sales & Transportation Co., operating 10 diesel motor vessels for carrying newsprint and pulpwood; Donnacona Sales Corp., marketing and distributing products; Donnacona Investment Co., owning part of part of the town site of Donnacona; Cartier Warehouse Co., warehousing products; and the previously mentioned D. P. Power Co.

Amount of sales in 1952 hit just under the 1951 all-time high of $18,383,769 at $17,161,596. Net profit of $1,188,122 for the year, compared with $1,644,965 for 1951.

Lower profits reflected the higher manufacturing costs, the strengthening of the Canadian dollar, the reduced selling price and sales volume of unbleached sulphite pulp, and lower sales of insulating board, according to President Louis W. Michael. He said that market for newsprint remained firm.

Capital expenditures for 1952 amounted to $1,493,772. The program for modernizing and increasing productive capacity of the company's plant is progressing, Mr. Michael stated. But delayed delivery of machinery and equipment has held completion of some projects, he added.

In 1948-49 Howard Smith Paper Mills Ltd. acquired a controlling interest in Donnaconna Paper Co. Since then, it has increased its holdings of Donnacona common shares and at the end of 1951 held 65% of the 376,572 shares outstanding.

The company's newsprint production in 1952 was down 2.6% from the 170,688 tons produced in 1951.

Donohue Bros.

Donohue Bros. Ltd., owns and operates a pulp and paper mill at Clermont, Que. Newsprint output is sold entirely to Scripps-Howard Supply Co. and the Hearst interest under a 10-year contract dating from January 1st, 1947. Mechanical and groundwood pulp is also manufactured and sold under a long-term contract.

Newsprint capacity, when the present expansion program has been completed by the end of the year, will be 70,000 tons annually. Production of newsprint during 1952 was 63,953 tons, a slight increase over 1951. Demand for groundwood having declined, the sales were 12,272 tons, as compared with 16,433 tons in 1951.

The company's net profit in 1952 was $585,394, as against $905,285 in 1951. President George T. Donohue states that the reduction in profits was the result of a substantial increase in production costs and of a reduction in price and sales of mechanical groundwood. The other big factor was the drop in the U. S. dollar premium. Working capital during the year increased from $2,862,244 to $3,273,563.

The company now has a total of 810 sq. miles of Crown lease timber limits as well as cutting rights on 137 sq. miles all in the Murray Bay river watershed.

Estimated consolidated net profits of the company for the first six months ending June 30, 1953, totaled $377,718, up 27.4% from $296,533 the same period of 1952.

Elk Falls

Elk Falls Co. was incorporated on Sept. 8, 1950, to manufacture pulp and paper in a new mill at Duncan Bay, Vancouver Island. Canadian Western Lumber Co. and Pacific Mills Ltd. (both now subsidiaries of Crown Zellerbach Corp., San Francisco) each acquired 50% of the Class B voting shares of the new company for $3 millions. The new company purchased all the share capital of Canadian Western Timber Co., formerly a wholly owned subsidiary of Canadian Western Lumber Co., thus acquiring forest management license No. 2.

A newsprint mill at Duncan Bay, costing in excess of $21.5 millions, went into production June 10, 1952, six months ahead of schedule. By April of this year, it was producing an average of 240 tons of newsprint daily and it is expected, as the machine wears in and skilled employees reach maximum efficiency, that production capacity will reach a much higher figure.

The newsprint machine has a wire width of 284 in., designed to operate at 2,000 ft. per minute. Sulphite stock is brought from Ocean Falls in roll form and repulped.

Elk Falls Co. is to sell Crown Zellerbach Corp. a minimum of 60,000 tons of newsprint per annum for a minimum of 10 years. Crown Zellerbach sells this newsprint in the U. S. at its announced prices, paying Elk Falls Co. 97% of the average net realization per ton (gross selling price less freight and delivery expense) of Crown's total U. S. sales of newsprint manufactured in its own mills and purchased from Elk Falls and Pacific Mills. The discount of 3% is retained for selling the newsprint and assuming credit risks.

Canadian Western Lumber's investment in Elk Falls was valued at $4,550,000 in April, 1953, stated President H. J. Mackin in the 1952 report of Canadian Western. In July of this year, Canadian Western Lumber became a subsidiary of Crown Zellerbach, it was pointed out that the share exchange would simplify financing for a projected plant extension at Elk Falls.

Consolidated net loss of Elk Falls Co. for the six months ended Dec. 31, 1952, was $407,549, equivalent to 55c per Class A and B share. Total assets were $22,593,386 at the end of 1952, with working capital of $1,707,315.

Capitalization outstanding upon completion of financing in November, 1950, consisted of $2.5 millions 3% Series A first mortgage bonds, due 1954-58; $1.5 millions 3½% first mortgage bonds, due 1959-61; $6.5 millions 4½% sinking fund bonds due 1970; $3 millions 5% general mortgage bonds, due 1975; 200,000 Class A n.p.v. shares; and 600,000 Class B n.p.v. shares. In May, 1952, an additional 110,000 Class B shares were taken up at $10 per share, 55,000 shares each by Canadian Western Lumber and Pacific Mills.

Great Lakes

Great Lakes Paper Co. manufactures newsprint and unbleached sulphite pulp at its plant on the Kaministiquia River near Fort William, Ont. Full facilities for rail and water shipments are available. Mill capacity is now 154,616 tons of newsprint per year.

In 1952, company agreed to purchase all outstanding shares of Patricia Lumber Co., Sioux Lookout, Ont., for $850,000. Patricia operates a saw and tie mill and holds valuable timber cutting rights.

Control of Northern Wood Preservers Ltd., Port Arthur, Ont., was acquired early in 1951 in an effort to achieve maximum utilization of timber resources. Company carries on a substantial business in production and creosote treatment of lumber poles, track ties, etc.

Great Lakes has a 21-year lease, obtained in 1940 with provision for 21-year renewal, of Ontario timber areas considered adequate for future operation of its mill. Over 3,500 square miles of Ontario timberlands, held under lease and by freehold title, are estimated to contain 13.5 million cords of pulpwood, over 11 million cords of which are suitable.

For the first half of this year, Great Lakes' net profit of $1,254,406 or 92c per common share was 12.2% lower than corresponding 1952 net of $1,429,077 or $1.07 a share. Second quarter earnings in 1953 were 52c, compared with 47c in the same three months last year.

Net profit of $2,656,377 for 1952 was 43.9% less than 1951 net of $4,734,494. Earnings were equal to $16.04 ($29.99 in 1951) per share on combined Class A and B shares, and $1.98 ($3.68) on common. Dividends paid in each year were $2.50 per share on Class A stock, $1.20 on Class B and $1.60 on common.

Newsprint shipments in 1952 were 152,391 tons, a company record, and had a value of $16,981,990, compared with 146,369 tons and $14,887,019 in 1951. Capital expenditures for mill operations totaled $570,103, and for woodlands operations $185,917.

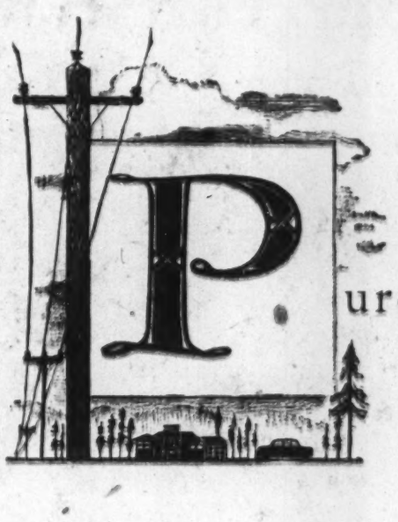
Expansion in productive facilities, with steady improvement in operating efficiency, established all-time production records last year, reported President and Managing Director W. Earl Rowe.

Capitalization outstanding at Dec. 31, 1952, consisted of $2,869,000 3½% first mortgage bonds due 1966; $1,081,000 3½% first mortgage bonds due 1967; 65,643 Class A $2.50 cumulative preferred n.p.v. shares; 100,000 Class B $1.20 cumulative preferred n.p.v. shares and 1,200,000 n.p.v. common shares. Working capital at year end stood at $8,716,919, compared with $8,283,531 a year earlier.

James Maclaren

James Maclaren Co. is a wholly owned subsidiary of Maclaren

(Continued on page 41)



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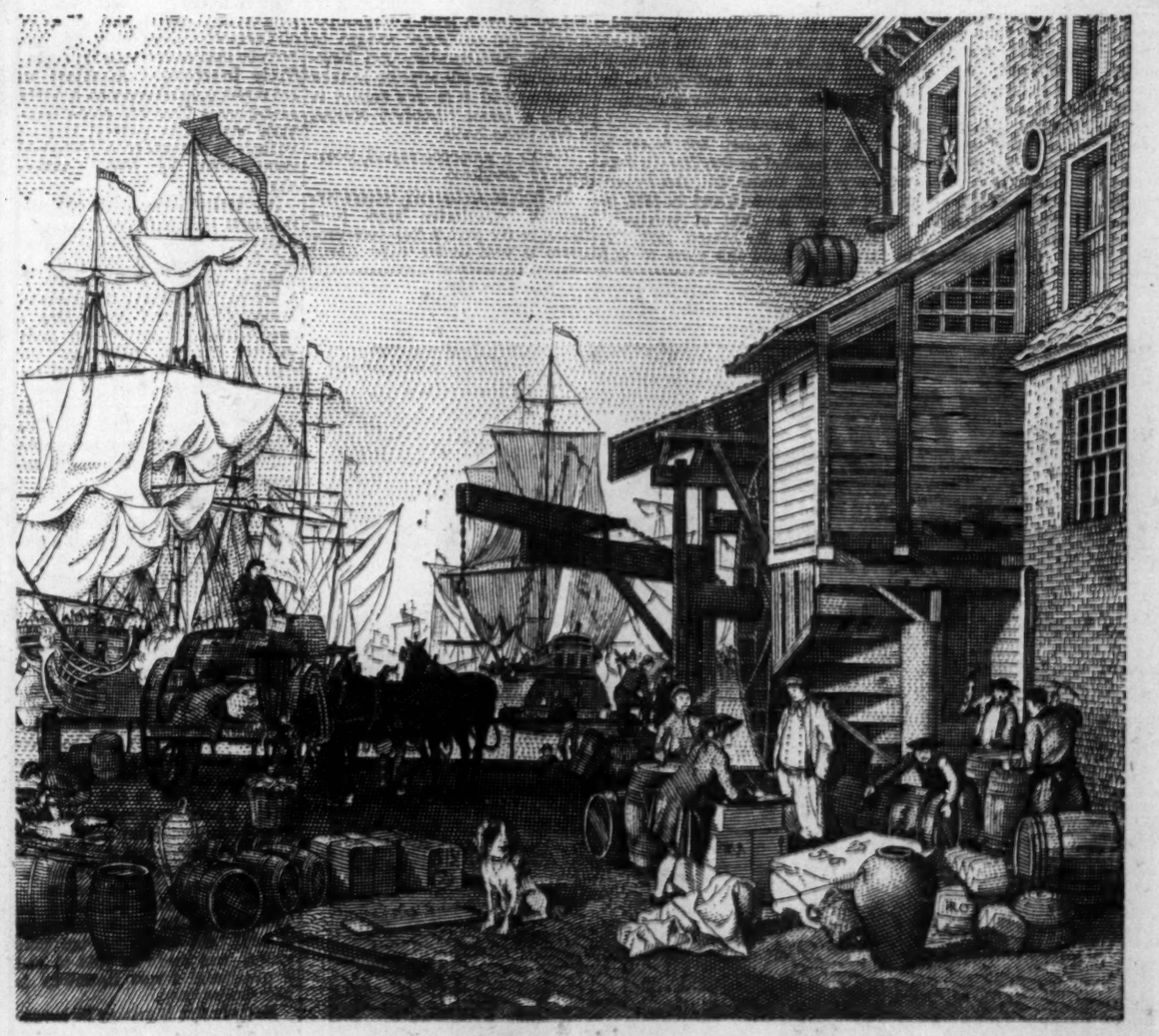

THE CUSTOM HOUSE QUAY

THIS REPRODUCTION after the painting by Samuel Scott (1702-1772), now in the Victoria and Albert Museum, London, is an early example of the application of art to the romance of commerce. It is believed to represent Bear Quay between the Custom House and London Bridge and is one of many riverside scenes painted by Scott which form an invaluable record of the eighteenth century.

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Today Conservation, Modernization Key Woods Operations

(Continued from page 37)

try's declared policy since 1946 and it claims to have "the best managed forests in Canada."

East of the Rockies in the harvesting year ending May 31, 1954, it now appears that the total cut will probably show very little change from 1952-53's 9.5 million cords. In 1951-52, a record 14 million cords were cut but this pushed mill inventories to very comfortable levels and last year's total, as a result, was reduced substantially. Now, cutting is expected to be pretty close to actual consumption.

There are differences within the industry, of course. One company says its 1953-54 harvest will be up 45%, another 25% and still another 10%. On the other hand, one firm's cut will be 29% less, another's "somewhat smaller," and some say that almost no change will be shown.

Scientific Planning

Up or down, the harvest has been planned on a very scientific basis.

Cutting plans of the mills have been drawn up carefully and approved by government foresters. They reflect the age of the stand, soil conditions, possibilities of future growth and a great many other factors.

The aim: a maximum crop from a minimum of cutting.

The experts may have decided to chop down all the trees in a particular area, or they may leave a few for seeding. Maybe they'll remove only the dominant trees to open up the forest and create better growing conditions. Again, in an uneven-age stand, they may have decided to take out only those which are mature, sick or diseased.

Whatever they've decided, you can be sure it's felt to be the best method for that particular area.

Most companies operate series of sample forest plots to aid them in better forest management. A typical example is one firm's 100 half-acre plots distributed over its 2,800 sq. miles of timber limits. They're used to measure average rates of growth for various trees in different locations. This can show wide variation due to differences in soil, drainage or exposure, and has, of course, an important bearing on cutting policy.

And quite a number of firms now operate test forests.

Fraser Companies Ltd., for example, has set aside 400 sq. miles as a laboratory where long-term experiments to determine cutting methods that will best combat insect infestation are conducted. Canadian International Paper and one of its subsidiaries, New Brunswick International Paper, each operate test forests.

Canada Paper Co. has a 40-sq. mile tree-farm operating on a demonstration basis while Abitibi Power & Paper has a 1,000-sq. mile forest research area. Great Lakes Paper operates a tree farm. Ontario Paper Co. has set up an operation on Manitoulin Island where, besides experimental work, demonstration work is carried out to help tree farmers operating small woodlots. There are a number of others.

Job for Reforestation

Reforestation also plays an important role. For instance, Consolidated Paper Corp. owns about 32,000 acres of freehold land near its Laurentide Division Mill. The area has been reserved for reforestation and over 25% of it was planted some years ago with more than 12 million seedlings. Under scientific management, these plantations are expected to furnish a sure and continuous source of pulpwood in future years.

One of the great difficulties under which forest management labors, of course, is the length of time it takes to grow wood. A spruce forest usually reaches maturity in 60 to 100 years, while balsam may hit merchantable size in 40 years.

As a result, what looks good or bad today may prove just the opposite 50 or 100 years from now. For instance, Canada Paper Co. abandoned certain woodlands experiments as failures over 40 years ago. Today, those areas exhibit better regeneration than others cut by what then was considered a better method.

Right now, the best ways to grow and manage Canadian forests are still being worked out. It will take years in many cases before a forester can operate and be sure of the outcome of his efforts.

Despite the millions being poured into figuring out better ways of conserving our forest wealth, there's still a terrible toll being taken by fire, insects and disease. They've been consuming as much wood as the whole pulp and paper industry.

The Fire Problem

And the initial loss may be only part of the story. When fire sweeps through a forest it not only kills off the trees and saplings but often burns the top soil and the seeds in it. If the destruction is complete, the land may stay barren for years.

Many consider this the outstanding problem of the forest. If such losses could be cut, our forests would be able to support a bigger drain from the pulp and paper industry, lumber operators, etc.

There's plenty of money and effort going into the battle. Millions are spent each year on fire protection and the industry harvests infested and over-mature stands wherever possible, leaving only the younger growth which can put up a stiffer resistance.

One of the most outstanding efforts lately has been the struggle against the spruce budworm in northern New Brunswick. This year, a $3 million aerial spraying job was conducted, with the cost shared by the Federal Government, the Province of New Brunswick and a company formed by four big Maritime producers. Over one million acres were hit with DDT and the results are now being studied. A similar effort last year, on a smaller scale, proved very successful.

Some feel that possibly the best form of protection against fire, insects and disease is more forest roadways to open up the timbered areas. But roads are expensive ($3,000 to $6,000 a mile these days) and many in the industry feel that governments should take a bigger hand in building them.

One Ontario woodlands manager puts it this way: "While it may be argued that this opening up of timber holdings is not primarily a government function, the Crown is insisting that the forests be handled on a sustained yield basis and that intelligent land use be followed. The prime requisite for such treatment is a permanent transportation system, which is a long-term project and requires substantial capital outlay. Contributions to this should be supplied in large measure from the funds collected from the lands and resources involved, rather than the present policy of spending only a very nominal portion on these areas."

This reflects a feeling long held in many parts of the industry that governments have not spent enough on the protection of the forests.

Improve Methods

Foresters are working hard to conserve our timber capital and at the same time allow it to support a growing industry. Important steps are also being taken to improve the actual harvesting end of the operation.

In British Columbia, logging operations differ sharply from those east of the Rockies. Mechanization has long been an important factor on the west coast, due to the big trees and the rugged country which mean that heavy, expensive, mobile mechanical equipment is needed. Power saws cut and buck most of the timber and the logs are generally shifted by the high-lead method or its several modifications to points where they are usually loaded on trucks. Often the logs are dumped directly into a log pond at tidewater or lake shore. An increasing percentage of the pulpwood cut is being moved by truck from the point of falling.

In addition, the mild climate permits year-round work in the woods at most of the coastal operations where all the present pulpwood logging operations are located. As a result, permanent settlements or villages have grown up, often close to towns and usually possessing all the services of a city.

East of the Rockies, smaller trees, climatic conditions and differences in the terrain have retarded the shift to mechanization to some extent. But the trend is there and it's helping in the battle to raise efficiency and cut costs.

There are still plenty of the horses and bucksaws around but power saws, tractors, snowmobiles, heavier diesel trucks, cable yarding equipment, etc., are all appearing in greater numbers each year.

One Quebec woodlands executive sums up the trend by saying: "We are constantly endeavoring to increase mechanization, as we believe this is the only way in which we can keep our costs at a reasonable level during a period of rising wages."

Take Spruce Falls Power & Paper Co., for example. Mechanization of its wood operations has shown a marked increase since the war, with growing labor costs making greater use of machines essential in many phases of the work.

Expansion of woods operations, it reports, has increased the average length of haul from the stump to the landing considerably. Higher wages have raised drive costs to the point where, in many cases, it is no longer economical to use small streams. Present practices tend toward longer hauls to main rivers and the elimination of branch drives.

Now, 85% of Spruce Falls' pulpwood is hauled by tractors and trucks (roughly 25% prewar), with horses limited to skidding and very short hauls. Extensive use of bulldozers and road building equipment has enabled trucks to go closer to the stump and, in some cases, has completely eliminated pre-hauling. Loading of trucks and main road sleighs is now done practically entirely by mechanical means. Rubber-tired trailers and semi-trailers are replacing sleighs on longer hauls and adverse grades. Power saws are also becoming increasingly popular, resulting in increased per man-day output.

Horse Being Replaced

There's not a horse to be found in the woods operations of Marathon Paper Mills of Canada Ltd. All transportation, right from the stump, is by mechanized means.

"Mechanical equipment has been designed and built some on the operation and some elsewhere, to meet the needs peculiar to our operation," the company states. Outstanding development is the slashmobile, a 19-ton, self-propelled machine mounted on rubber wheels which extracts tree lengths from stockpiles, saws them into 8-ft. bolts and loads them on pulp trucks, all in one continuous operation.

Marathon uses cable systems to move pulpwood from the falling point to the "cold deck" (central location) or road.

Fraser Companies Ltd. reports that the percentage of its total cut trucked direct from the cutting area to the mills has increased "many times over" in recent years. This has meant lower cost material delivered to the mill and has been made possible by the construction of woods motor roads, which was the company's first step toward mechanization of woods operations. It is investigating any new pieces of equipment which appear.

Mersey Paper Co. has added more tractors, power-skidding equipment and permanent log slashers for its logging operations. It has also acquired more tractors, graders and shovel equipment for road building, because road systems are becoming more extended and practically all material and labor moves on wheels.

Anglo-Newfoundland Development Co. reports greater use each season of trucks, tractors and winch boats.

With mechanization, many past troubles have centred on the problem of suitable equipment. Some machines effective in other areas are totally unsuited to eastern operations. Now, more and more equipment designed especi-

(Continued on page 40)

Horseless Carriage; Bush Style

The once indispensable horse is more and more disappearing from the Canadian bush as specially designed equipment, modern methods take over its job. Wide introduction of new methods are cutting unit costs increasing yield.

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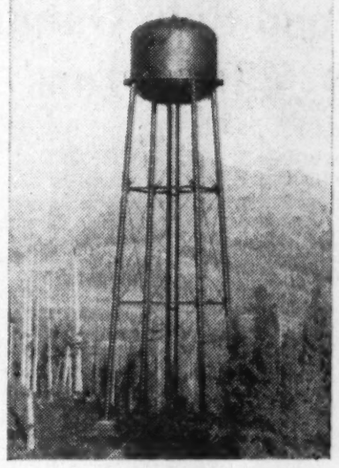

100,000-gal. Horton elevated tank at the Columbia Cellulose Company Limited's mill at Prince Rupert, B.C.

Many pulp and paper mills are installing Horton elevated steel tanks like the one shown at the left to supply gravity water pressure for fire protection and general service. Tanks used in this manner have dual piping which allows a certain amount of water to be used for general service and holds in reserve a quantity of water sufficient to supply the automatic sprinkler system in the buildings.

The tank in the view at the left has a capacity of 100,000 gals. and is 100 ft. to the bottom. It is of welded construction.

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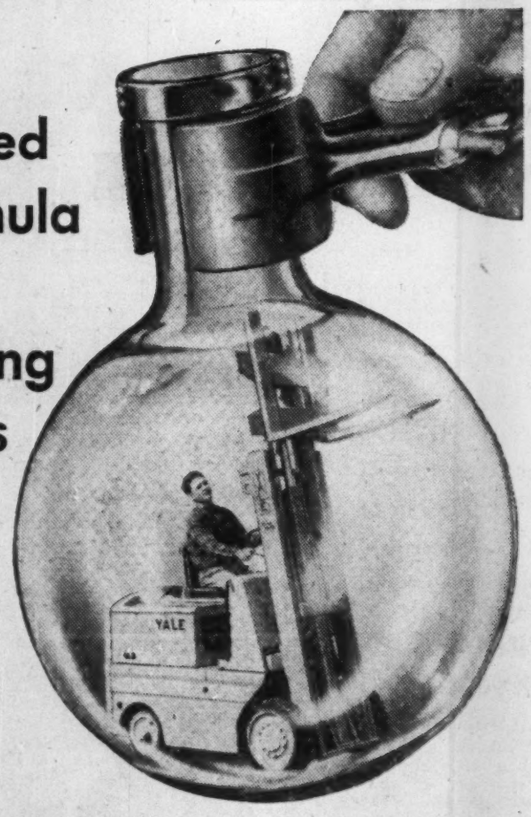

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ABITIBI POWER & PAPER CO. LTD. (STURGEON FALLS ONT.) BOILERS BY BABCOCK

The above photograph shows the two Babcock Type "G" Boilers installed in the Sturgeon Falls division of Abitibi Power & Paper Company Ltd.

Each boiler has a designed capacity of 69,000 lbs./hr., an operating pressure of 275 lbs. P.S.I., and is fitted with a Babcock-Detroit Stoker and a Babcock Air Heater.

Right: Sectional drawing of one boiler unit.

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The Big Look At Our Forest Wealth

(Continued from page 39)

ally for local conditions is becoming available.

Up to 1950, there was no power medium light enough to be used for the portable saw. Now, there are thousands of power saws used in Eastern Canada logging operations. One company reports it only had 10 in operation a few years ago, now has 100 and employs traveling repairmen in the woods.

And more firms are becoming interested. Anglo-Newfoundland tried power saws a few years ago but the men took little interest in them and there was no economy with the type then available. But this fall it plans to find out whether present models are sufficiently superior to be attractive to the men and what increased production can be expected compared to the buck saw.

New Machine Designed

On production trials this summer is a new vehicle specially designed under the auspices of the Woodlands Section of the Canadian Pulp & Paper Association. It will pick up a cord of pulpwood where it has been cut and transport it over a strip road to the main haul road. There is a great potential for mechanization in this particular phase of works operation.

These give only a few examples of how the Canadian pulp and paper industry is streamlining its woods operations.

Is there any marked trend toward a less seasonal woods operation east of the Rockies? To some extent, there is, and mechanization is playing an important role in this. But it's still fairly limited.

Canadian International Paper Co., for instance, has opened up a logging operation in the southeast corner of the James Bay watershed since the war. From this, wood is trucked 30 to 60 miles over the divide and then floated down the St. Maurice to Trois Rivieres.

Nerve centre of the operation is a new forest community at Cooper Lake, where some 17 families now live on a year-round basis. C.I.P.'s aim is to give permanent employment for professional forest workers and to crop the pulpwood on a constant economical basis. About 30% of the wood is handled in the summer.

At Spruce Falls Power & Paper Co., woods operations have been on a year round basis since 1934. Kapuskasing is about halfway between the Quebec labor port and that at the head of the lakes. Few men come from neighboring farms. As a result, year-round employment meets the needs in most areas.

Marathon Paper has also extended its operation since 1946 to take in almost the whole year. It has done this by setting up mechanized operations; by divorcing each step of the harvesting from the others so that each, being independent, can be conducted under the conditions most favorable to it; by gradually building up a versatile work force, many of whom can do a variety of jobs during the year; by building a system of all weather hauling roads supplemented by logging roads; and by placing supervisory and key personnel in residence on the operation. About 65 families now live in company residences.

There are other examples. Bowater's Newfoundland Pulp & Paper Mills Ltd. reports that trucks are today hauling wood in the summer directly from the stump; this evens out the winter haul, and also the driving operations which were previously confined to winter and spring. Introduction of power saws in a small way has lengthened the cutting season, while open camps in selected areas has attracted men to the woods in the summer in record numbers.

Long Lac Pulp & Paper Co. has been hauling in the summer over half the wood cropped on its limits in recent years.

Seasonal Influence

But in most parts of the east, fall and early winter cutting, followed by winter hauling, is still the general schedule. And for various reasons.

In the spring and summer, flies alone slow down and sometimes prohibit woods work. And in the hot weather transporting wood in the swamps where so much of it grows is a very difficult task. It's also tough to entice workers and their families to live permanently in many areas.

New vehicles which can operate under all general conditions are making year-round operations more feasible.

In some cases, there's a problem of competing with other industries for woodworkers on a non-seasonal basis.

For instance, one Maritime firm says: "It's a first-class idea for a company in a remote location to work the woods all year-round. Otherwise, the men would have to leave the district entirely in the off season. But it's different with us. We depend on local men, most of whom want to farm, fish or work on the roads during the summer and come into the woods later in the year."

Another, in Quebec, reports that it has carried on summer cutting operations for years to try to smooth out the peaks and valleys in employment, keep the number of men required at a minimum, etc. This, has paid off during years of labor shortage. However, it has an adverse effect on costs due to heavy overhead when camps are kept open for 10 months or a year instead of four or five months. "The latter policy is more economical during years of a comfortable labor supply," it states.

Fraser Companies Ltd. reports considerable progress in spreading woods operations over a longer portion of the year. In sections where woods labor is mainly farm labor, however, it is not always feasible to do so.

Anglo-Newfoundland Development Co. has been cutting as much wood as possible in the summer for 25 years now. At times, it has had all the wood cut by the time hauling started. Lately, however, the company has not been so successful as there has been so much other work available during the summer.

Base for Growth

Canada's productive forest areas—those capable of producing continuous crops of timber—are estimated at 764,333 sq. miles. Of this, 261,000 sq. miles are presently classed as inaccessible due to topography or remoteness.

From only 175,895 sq. miles of the total—that leased by the pulp and paper companies—come most of the raw material to feed Canada's biggest industry. With sound forest management for the nation as a whole, including a reduction in the annual toll from fire, insects and disease, Canada's wood supplies should be sufficient to support a much larger operation.

Here's Annual Average Depletion

Following is a table of average annual depletion in Canada's forests for the period of 1939-1950.*

		Aver. Annual Depletion 1940-50		
		000's of cu. ft.	% depletion	% utilization
Logs and Bolts for domestic use		1,089,947	30.5	38.3
Logs and Bolts for export		18,686	0.5	0.7
Pulpwood for domestic use		739,365	20.7	26.0
Pulpwood for export		153,503	4.3	5.4
Fuel wood		739,737	20.7	26.0
Ties, poles, pit props, posts, rails		65,532	1.8	2.3
Miscellaneous		35,917	1.0	1.3
		2,842,687		100.0
Fire	231,524			
Insects and Disease	500,000	731,524	20.5	
		3,574,211	100.0	

*Including the Island of Newfoundland but not Labrador, since 1949.

Annual Wood Pulp Output Close to 9 Million Tons

(Continued from page 35)

ularly big in the huge United States market, also large in the United Kingdom and other places. Into the gap stepped Canada, doubling exports to 1,400,000 tons in the 1939-48 period despite wartime restrictions on labor, materials and power.

With the peace came a world pulp demand considerably greater than supply. In Europe, large tracts of forest lands had been overcut, while many mills needed rebuilding or new machinery and equipment.

So Canada continued to gain strength in the export picture. She lost some ground in overseas markets (although shipments are still well above 1939) but stayed well out in front as the main outside supplier of U. S. consumers. In recent years she has been shipping 30-35% of total world exports, compared with an 11% slice in 1938. Of last year's total, some 81.9% went to the U. S., 10.9% to the U. K. and 7.2% to other countries, the main ones including Japan, France and Germany.

Another important change in the world picture has been in the type of pulp exported. Chemical grades, of course, account for the lion's share (about 85%), as almost all mechanical pulp is used domestically to make newsprint.

All chemical grades are up from prewar levels but kraft pulp has been the growth leader. Increased use of kraft is a fairly recent development, beginning in the 1920s and not really picking up steam until the 1940s. Sharply higher U. S. demand for kraft paper and paperboard has meant that shipments of this type now account for nearly 33% of Canada's pulp exports, compared with 15% prewar.

The Outlook

Will Canada maintain her newly won position as the world's largest single pulp-exporting country?

Probably she will. On the one hand, she has the vast timberland wealth needed to feed many more pulp mills. On the other, European wood supplies are not considered big enough to support a much larger production, while European demand for pulp and paper products of all kinds is growing ever bigger. This means that less and less European pulp will be available in other world markets.

Add to these factors the steadily growing appetite for pulp in other parts of the world—supported by economic development, population growth, etc.—and the picture comes out pretty bright.

Currency problems and exchange restrictions may continue to play a role in holding down Canadian pulp exports for some time. But the underlying upward growth trend seems to be there.

Most of Canada's pulp-export eggs, of course, are concentrated

(Continued on page 43)

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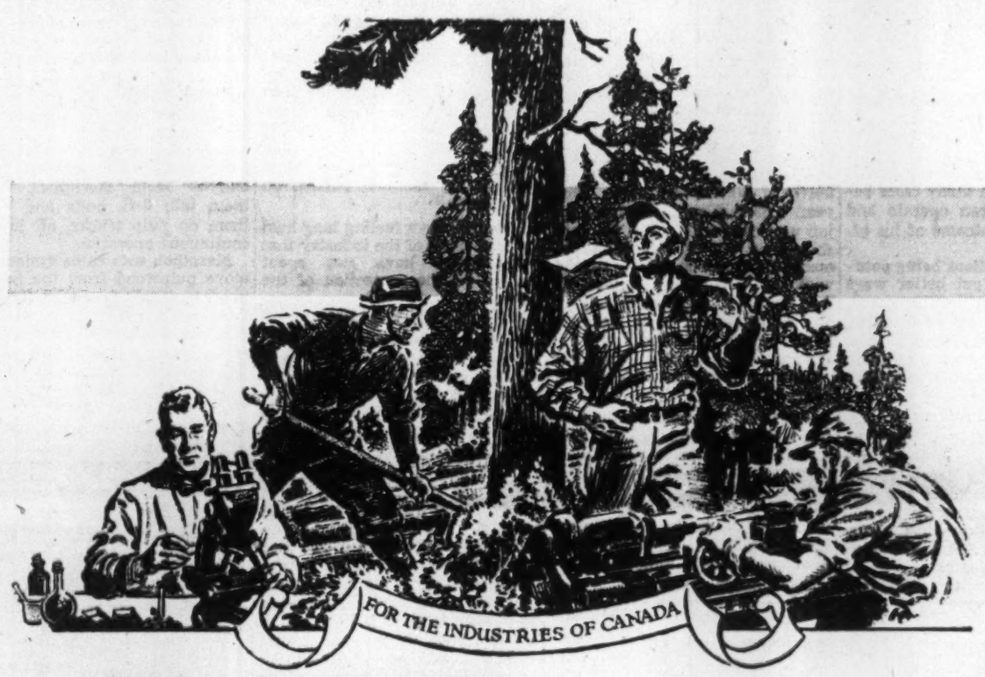

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Here's Progress Report on the Newsprint Companies

(Continued from page 38)

Power & Paper Co. It produces newsprint and lumber products.

The company's newsprint and a new groundwood mill are located at Masson, Que., with another groundwood mill at Buckingham, Que.

The new groundwood mill, which went into production in April 1952, starting work with four magazine grinders now has two additional units. Ultimate capacity is 12 magazine grinders and when these are installed, the company will be able to discontinue use of 3½-mile wooden stave pipe line which brings groundwood from the Buckingham mill to the Masson paper mill.

Newsprint production in 1952 totaled 116,725 tons, as against 116,275 tons in 1951. Consolidated net profit amounted to $2,943,631 for the 13 months ended Dec. 31, 1952, as compared with $2,778,561 for 12 months ended Nov. 30, 1951.

Timber limits of the company comprise 2,600 sq. miles held under Crown lease on the Lievre River watershed. It is estimated that these contain over six million cords of wood, sufficient to supply mill requirements for at least 50 years.

Power for the mill is supplied by Maclaren-Quebec Power Co., another wholly owned subsidiary of Maclaren Power & Paper Co. Work is now progressing at Kiamika to improve the regulated flow of the Lievre River.

Mersey

Mersey Paper Co. owns and operates newsprint mill at Brooklyn, on Liverpool Harbor in Nova Scotia. Capacity is 128,000 tons of newsprint annually and the mill is equipped with the necessary groundwood and sulphite equipment for the newsprint making operations.

A great advantage of the mill location is being on ice-free tide water which permits both deep water and rail shipments throughout the year.

The company's two high speed paper machines have a capacity of 420 tons a day. Power is obtained from the Nova Scotia Power Commission development on the Mersey River, 16 miles from the mill site.

The company's 900 sq. mi. of timber lands are estimated to hold 2.4 million cords of pulpwood. Additional timber lands, costing $2.5 millions were bought in 1948. The company also buys pulpwood under a contract with the Nova Scotia Government.

The company is marketing its product in the U. S., New Zealand and the Maritimes. A subsidiary company operates four steamships.

The company's net profit in 1952 amounted to $2,534,246 as against $2,723,325, in 1951. Production of newsprint in 1952 was 132,931 tons, a record and an increase of 8,841 over 1951. The trend of operating costs continues upward, but the demand for newsprint remained firm during 1952, it is reported.

Net capital expenditures in 1952 totaled $840,338, and funded debt was reduced by $200,000 to $606,000.

Minn. & Ontario

Minnesota & Ontario Paper Co., with head office in Minneapolis, produces and markets newsprint and specialty papers, kraft, insulating and building material and other timber products in Canada and the U. S. Related activities include generation of steam and hydro-electric power for lighting purposes and for use in its plant. In addition, its national pole and treating division operates plant facilities in Minneapolis, Minn., and Hillyard, Wash.

Markets served by the newsprint products of the company are mainly in the central part of the U. S. Plants of the company and its producing subsidiaries have an annual capacity of 263,000 tons of paper, of which 193,000 tons are produced in Canada.

Company also has an annual capacity of over 400 million sq. ft. of structural insulation board, "Insulite." About 460,000 squares of insulating siding board processed from Insulite are manufactured by others for account of the company, for resale to the trade.

Plants are as follows:

International Falls, Minn., producing groundwood specialty papers, kraft papers, insulating material, sulphate and sulphite pulp and groundwood pulp for the Insulite division.

Fort Frances, Ont., producing newsprint in both rolls and sheets, and groundwood printing and converting papers. Facilities also include a power generating plant.

Kenora, Ont., consisting of a newsprint mill (two machines), groundwood pulp mill and related equipment.

Timber areas in Minnesota and Ontario exceed 5,000 square miles, including 180,000 acres of fee lands. Through an agreement with the Province of Ontario, additional Ontario forest supplies over an area of approximately 3,250,000 acres, or in excess of 5,000 square miles are available for Kenora and Fort Frances mills. These and pulpwood supplies available to the International Falls mill are believed adequate by the company for the future at the current rate of operations.

With the exception of planned down-time for machine modernization, amounting to 24 operating days on No. 5 at Fort Frances and 39.3 days on No. 3 at International Falls, all mills produced on a full six day per week schedule in the first half of 1953. Insulation board production was maintained on a full seven day per week schedule.

Despite some slackening in newsprint demand, nationally, the middle-western market served by the company remained strong in the first-half 1953, said President J. B. Faegre. Sale of specialty grades has become more competitive, largely due to normal seasonal factors plus introduction of new productive capacity in the industry.

Consolidated net sales for the first half of this year amounted to $32,776,018, up 7.8% from $30,413,213 in the first six months of 1952. Net profit of $2,706,110 or $2.10 a share was 6.2% higher than last year's $2,549,318 or $1.98 per share. Newsprint production for the six-month period has not been announced, but amounted to 43,975 tons in the first three months of 1953, compared with 47,744 tons in the corresponding 1952 period.

In 1952, net sales reached a company record of $63,380,361, compared with 1951 total of $58,403,589. Consolidated net profit of $5,218,263 or $4.06 a share for 1952 was 3.9% less than previous year's net of $5,432,438 or $4.22 per share.

Production also reached new peaks in 1952. Output of pulp and paper totaled 288,562 tons, while Insulite production was 434.5 million sq. ft., up 19.4 million from 1951. All three paper mills ran on a full six day per week schedule throughout 1952.

Capital expenditures for modernization of plants and installation of additional facilities totaled $5,105,161.

Among major items remaining in company's modernization program are additional steam and turbine installations at International Falls, modernization of one additional paper machine at International Falls and two additional paper machines at Fort Frances. Expenditures on the program are expected to continue at about $5 millions annually for the next three years.

Finnish blocked investments, which were carried on company books at $1, were liquidated during the year, with concurrence of the Government of Finland, for $130,000.

Capitalization outstanding at June 30, 1953, consisted of $6 millions 4% promissory notes, due Oct. 1, 1966, and $6,433,320 in common stock, par $5.

N.B. International

New Brunswick International Paper Co. is a subsidiary of Canadian International Paper Co. It operates a newsprint mill at Dalhousie, N.B., on Baie de Chaleurs. The daily capacity of the four paper machines totals about 760 tons (234,840 tons annually on a 309-day basis). A wrapper machine has daily capacity of about 28 tons.

The mill is fully equipped to produce all its own regular pulp requirements. Steam and electric power are purchased from Gatineau Power Co., with some supplementation from the company's own steam generating plant. Timber limits cover some 1,530,000 acres.

Financial and operating statement are consolidated with those of International Paper Co., New York.

Price Bros.

Price Bros. & Co. manufactures for sale newsprint, paperboard, and other paper specialties, as well as sawn lumber and other timber products, such as shingles, ties and laths.

The company has two newsprint mills one at Kenogami, Que., with an annual capacity of 240,000 tons; the other at Riverbend, Que. with an annual capacity of 215,000 tons. The Kenogami mill also houses a cardboard and wrapping paper machine with an annual capacity of 17,000 tons. Products of this mill include wrappers, screening board, pulp board, egg case filler board and imitation leather board.

The company also operates under lease the Jonquiere Pulp Co., 30,000 tons annual capacity cardboard and specialty mill.

Three saw mills owned and operated by the company are at Rimouski, Matane and Price ville on the south shore of the St. Lawrence River. Total annual capacity of these mills is about 60 million board feet plus 30,000 tons of sulphite chips.

Power requirements for these mills are supplied by the company's own hydro installations. The company has eight developed sites with a total capacity of 74,200 hp and will this year complete a new 70,000 hp installation on the Shipshaw River.

Some 7,521 sq. mi. of regional Crown lands and 186 sq. mi. of preowned lands are controlled by the company and through its subsidiaries. Most of this timber area is located on water-shed tributaries to its principal plant on the Saguenay and St. Lawrence Rivers. The Quebec government has constituted a 30-year forest reserve tributary to the Priceville and Matane mills which assures the company sufficient wood in perpetuity.

President A. C. Price reports that newsprint continued in good demand throughout the world during 1952 although supply and demand were closely balanced. Demand for lumber and box boards eased, but general market prices remained firm, he said.

The company's newsprint and lumber mills operated to capacity during 1952, although the Joncquiere Mill suffered some loss in operating time due to reduced box board orders.

Shipments during the year year included 497,450 tons of pulp and paper products and 46,423,000 board ft. of lumber. The company continued to serve a wide variety of world markets, exporting to countries other than the U. S. 80,220 tons of newsprint, 6,950 tons of boxboard and 1,328,500 board ft. of lumber.

Consolidated net earnings for the year amounted to $16,969,367, as against $21,427,220 during 1951. Net profit totaled $6,055,587, as compared with $8,568,558 in 1951.

President Price states that profits were considerably lower due mainly to heavy increases in the cost of production and the loss of premium on the United States dollar. He states that the $10-a-ton increase on newsprint, effective July, 1952, only partly offset this adverse situation.

During the past six years the company has spent over $14 million on modernization and improvement. Main project completed in 1952 including six additional Curlators installed at the Riverbend mill to enable the company to convert high-yield sulphite to suitable furnish for newsprint manufacturers. A new power development on the Shipshaw River will be in operation by the end of 1953.

Pacific Mills

Pacific Mills Ltd., a subsidiary of Crown Zellerbach Corp., San Francisco, operates pulp, paper and lumber mills at Ocean Falls, B.C., and a paper converting plant at Vancouver. Through a subsidiary, Canadian Boxes Ltd., it manufactures corrugated and solid fibre shipping containers. Mill capacity for newsprint is 87,000 tons, while extent of wood resources is 432 square miles.

Other subsidiaries are Hudson Paper Co., distributors of paper products operating in western Canada; Northern Pulpwood Ltd., a log-procuring agency with logging operations on Queen Charlotte Islands, Vancouver Island and vicinity of Ocean Falls; and Badwater Towing Co., a log-towing agency operating the towboat SS. Sudbury.

Pacific Mills joined with Canadian Western Lumber Co. in 1950 to form Elk Falls Co. and build and operate newsprint mills at Duncan Bay near Campbell River, Vancouver Island, B. C. (see report on Elk Falls Co.).

Consolidated net profit of $3,120,344 for year ended April 30, 1953, was 22.7% lower than previous fiscal year's net of $4,035,431.

Earnings were equivalent to $156.10 per preferred share ($201.88 in previous year) and $4 ($5.22) per common share. Dividends were $6 on preferred shares and $2 on common in each year.

Demand for newsprint paper was firm, said President P. E. Cooper, but indications are that North American production is now at least equal to present consumption. Production of newsprint totaled 87,027 tons compared with 88,721 tons in previous fiscal year.

Major factors contributing to reduction in earnings, said the president, were disappearance of profitable open market sales of sulphite pulp enjoyed during most of previous year, change in exchange rate on U. S. funds, and reduced return on sale of high grade logs after softening of open market log prices. Total output of all products, 158,051 tons, was 5% lower than total of 165,879 tons in year ended April 30, 1952.

Particular attention was given to a program of inventory reduction. As a result, funds required for inventories were reduced by $2.2 millions, and further reductions are planned.

Capital expenditures during the fiscal year totaled $2,878,000. Major projects were completion of hydraulic barker installation; commencement of installation of 75-ton Tomlinson chemical recovery unit; changes to No. 2 paper machine to equip it for the manufacture of rotoprint; and the installation of a lime sludge re-burning plant. Extensive camp improvements were made in connection with logging operations. There were no substantial acquisitions of timber.

Working capital at April 30, 1953, amounted to $8,790,904 ($8,493,334 a year earlier). Inventories were valued at $6,285,522 ($8,486,536), and earned surplus stood at $25,573,760 ($24,073,350).

Capitalization outstanding consisted of $1,998,900 6% cumulative preferred stock, par $100, and $7.5 millions in ordinary stock, par $10.

Powell River

Powell River Co. is the largest producer of newsprint on the west coast, a large producer of sulphite pulp, and through its subsidiaries manufactures lumber and other wood products. Company has complete control,

(Continued on page 42)

AIR

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G. L. M. HELLSTROM, President and Managing Director

Progress Report on Newsprint Firms

(Continued from page 41)

through wholly owned subsidiaries, of its production from the standing tree to the finished product.

Powell River owns or controls 600 sq. miles of timberland. It has also applied for a forest management license in connection with its present mills to allow for a long range program of development and forest management, integrating the private holdings and the Crown lands under one plan. The license would take in forest stands in the Queen Charlotte Islands, at Port Hardy, Adams River, and near Powell Lake and Lois River, where the company has power developments.

This would be in addition to the license for Hecate Development Ltd., which was formed in collaboration with Aluminum Co. of Canada to hold a forest management license in the Kitimat area of British Columbia to investigate all economic aspects of a mill which would utilize hydro-electric power to be available in quantity for sale on completion of Alcan's Kemano-Kitimat power-aluminum project.

Powell River Co. operates at Powell River, about 80 miles north of Vancouver on the B. C. coast. Products are used principally in Canada, U. S. (California, Texas, Arizona and the Puget Sound area), Alaska, Hawaii, Australia, New Zealand, the Orient and the U. K.

In October, 1951, company purchased British Columbia Manufacturing Co. and its associated companies: Westminster Shook Mills Ltd., Maple Ridge Lumber Co. and Salmon River Logging Co. This group of companies holds over two billion feet of timber on the northern part of Vancouver Island, across from Powell River's mainland holdings.

Hydro-electric developments of Powell River total 95,000 hp., consisting of a 53,000 hp. installation at Powell Lake watershed and a powerhouse on the Lois River watershed adjacent to the mill with two units of about 21,000 hp. each. Company also has an auxiliary steam plant of 7,200 hp.

For the first half of 1953, net profit was $4,438,328 or $1.06 per share, compared with $3,650,933 or 87c a share for the same period last year. Increase in earnings resulted mainly from additional newsprint tonnage produced, reduced income tax rates and improvement in exchange rate of U. S. funds, said President H. S. Foley.

The profit figure is running ahead of 1951, which set a new high for the company. The six months' net in both 1953 and 1951 ($1.05) was after providing $400,000 for contingencies.

Newsprint production for the six months was 163,515 tons, compared with 150,095 tons in the 1952 period. Unbleached pulp and lumber production showed drops, with physical volume of sales off 24% and 10% respectively. For the second half of this year, newsprint production is expected to be maintained at capacity levels. Improvements on one of the eight machines will increase production by 30 tons daily, it is estimated.

There is little hope of improvement in sales of unbleached sulphite pulp for the balance of the year, said the president, and company expects to produce and sell only 75% of its capacity. Volume of lumber sales is expected to approximate the first half, when the market was "soft."

In 1952, consolidated net profit of $7,942,393 or $1.89 a share for the full year was 18% lower than 1951 net of $9,686,479 or $2.30 a share. Dividends paid were $1.15 a share in 1952 (60c in 1951).

Output of pulp and paper products in 1952 totaled 350,628 tons, a decrease of 1,639 tons from 1951. Newsprint amounted to 303,181 tons, a company record, against 1951 production totaling 298,388 tons.

Capital expenditures under the replacement and modernization program, the acquisition of timber holdings and other capital items amounted to $8,071,076 in 1952. With the exception of the electrical distribution system, all phases of the modernization program are complete.

Capitalization outstanding consists of 4.2 million n.p.v. ordinary shares.

Ontario Paper

Ontario Paper Co., Thorold, Ont., and its wholly owned subsidiary, Quebec North Shore Paper Co., at Baie Comeau, Que., are owned by the Chicago Tribune and the New York Daily News.

The Thorold paper mill produces 600 tons of newsprint daily and the pulp sales plant has a capacity of 120 tons per day, which is sold on the open market. The company also operates Beaver Co. newsprint machine using its own supplies and some of its own staff.

The Baie Comeau plant of Quebec North Shore Co. produces 500 tons of newsprint daily and the pulp sales plant has a capacity of 120 tons per day.

Que. North Shore

Quebec North Shore Paper Co. is a wholly owned subsidiary of Ontario Pulp & Paper Co., Thorold, Ont. It has an up-to-date newsprint mill at Baie Comeau, Que. The mill was the first industrial enterprise to be set up on the lower St. Lawrence north shore and required complete townsite, power, mill and woods development. It is in the general area where the titanium and iron ore developments are now being opened up.

The mill produces about 500 tons of newsprint daily with pulpwood being supplied from the extensive timber lands at Baie Comeau. The paper output is contracted for by the New York Daily News and the Chicago Tribune.

The pulp sales plant has a capacity of 120 tons per day, the power plant on the Outardes River has a capacity of 77,000 hp and supplies mill power requirements as well as electric power to the town of Baie Comeau. Company properties in the town are operated by Baie Comeau Co., a subsidiary of Quebec North Shore Paper Co.

Another wholly owned subsidiary, Manicougan Power Co., recently opened its new $15 million power development on the Manicougan River. New generators with a capacity of 90,000 hp will supply power for the pulp and paper mill and the community, as well as for new industries going up or expected to go in the area.

A substantial part of the power developed at Manicougan will be transmitted by submarine cable across the Gulf of St. Lawrence to the Gaspé Peninsula, and will be used to develop the ore deposits in that area.

Individual financial and operating statements are not issued by the company for publication; there is no public interest.

Spruce Falls

Spruce Falls Power & Paper Co. operates a newsprint mill at Kapuskasing, Ont. Kimberly-Clark Corp., Neenah, Wis., owns 50.12% of the outstanding common stock. The New York Times, which purchases the largest proportion of its newsprint requirements from Spruce Falls, owns the minority common share interest. Bulk of the remaining newsprint production is sold to publishers of several newspapers, including the Philadelphia Enquirer and the Washington Star.

The Spruce Falls Mill comprises a newsprint mill containing four paper machines, a mechanical pulp mill with capacity adequate for the paper mill's requirements, and a chemical pulp mill with a capacity sufficient to supply the newsprint mill and the pulp requirements of Kimberly-Clark Corp. of Canada.

Plant can also supply parent company with current sulphite pulp requirements of its U. S. mills, over and above its own productive capacity. Plant produces 750 tons of newsprint and 375 tons of sulphite pulp daily.

Company's plant includes a steam powerhouse adequate for its requirements and those of Kimberly-Clark Corp. of Canada. In addition, company has two hydro-electric power plants from which power is transmitted to the mill over private transmission lines. Water power rights are held under long-term lease from the Province of Ontario. Developed hydro-electric power aggregates 75,000 hp supplemented by a 10,000 kw stand-by steam turbine generator.

Cutting rights are held on extensive pulpwood limits on Crown timber lands under long-term leases which, in the opinion of the management, are sufficient for present and future needs.

Company's properties include a modern hospital, hotel, clubhouse and recreational facilities, as well as a large number of homes for employees.

Equity of Kimberly-Clark Corp. in Spruce Falls at Dec. 31, 1952, was $9,053,802 in excess of book value of $2,079,501. Spruce Falls paid dividends of $1,138,807 to Kimberly-Clark in 1952. Total paid during Kimberly-Clark's fiscal year, ended April 30, 1953, was $1,477,331, or $457,931 less than in the preceding fiscal year.

Spruce Falls' earnings last year were $3,939,330, down 29% from $5,552,196 in 1951 calendar year. While newsprint sales were satisfactory, freight and labor rates were increased, and shipments and selling prices of pulp were also lowered. Kimberly-Clark's equity in Spruce Falls' 1952 earnings was $2,161,514 (U. S.).

Richmond P & P

One of Quebec's newest pulp & paper concerns Richmond Pulp & Paper Co., formed early in 1950, acquired the Bromptonville, Que. plant, formerly owned by Brompton Pulp & Paper Co. which was shut down in May 1949.

The Richmond mill and the water power rights were sold by Brompton in 1949 to the City of Sherbrooke for $725,000, the buildings were subsequently optioned for $400,000 to Reliance Enterprises Corp. which formed Richmond Pulp & Paper to operate the mill. Under the agreement, the company also leased the 10,000 hp power plant for 10 years. A new machine has been installed which will increase the capacity of the mill to 75,000 tons of newsprint annually. Pulpwood supplies consist wholly of purchased wood.

Capitalization of the company consists of 5,000 common shares and 2,500 preferred shares. It is understood that Gene H. Kruger and B. G. Kruger of Kruger Paper Co., Montreal, hold a controlling interest.

St. Lawrence Corp.

St. Lawrence Corp. produces newsprint, unbleached sulphite and sulphate pulp, groundwood pulp, kraft papers and container boards and lumber products.

The Corporation became an operating company by an agreement dated Feb. 26, 1952, effective Jan. 1, 1952, through an integration of the three subsidiaries; St. Lawrence Paper Mills Co., Brompton Pulp & Paper Co., and Lake St. John Power & Paper Co.

The annual productive capacity of the various mills owned by the newly formed operating corporation are as follows: Three Rivers, Que., over 205,000 tons of newsprint; Dolbeau, Que., over 100,000 tons of newsprint and 30,000 tons of surplus unbleached sulphite pulp; East Angus, Que., 58,000 tons of kraft paper and board products; 5,000 tons of surplus groundwood pulp and 10,000 tons of surplus unbleached sulphate pulp; Red Rock, Ont., 80,000 tons of kraft container board products; 9,000 tons of surplus groundwood pulp and 9,000 tons of surplus sulphate pulp; and Nipigon, Ont., 18,000 tons of groundwood pulp.

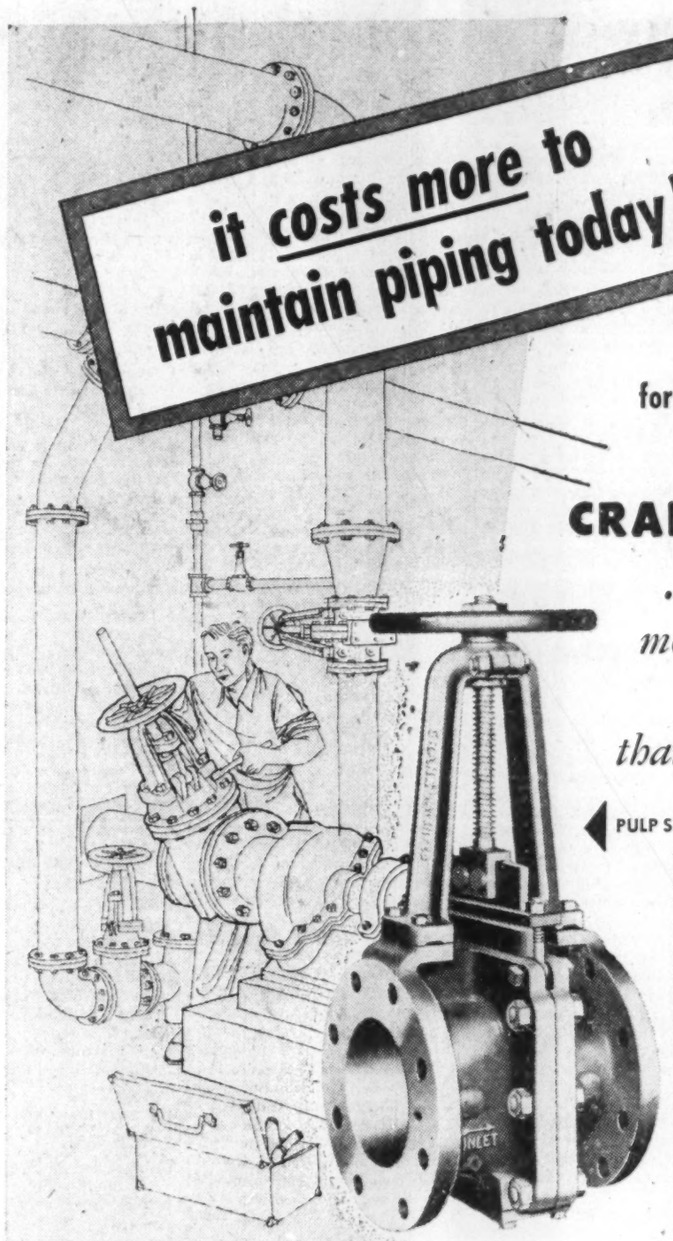
Excluding the cost of assets acquired from subsidiary companies at Jan. 1, 1952, capital expenditures during the year amounted to $6,917,956. Most of the fund went into a huge $22.2 million expansion program at Red Rock and East Angus. The entire plan, which includes the installation of new kraft machines at Red Rock and rebuilding of the board machines at East Angus, as well as the conversion and rebuilding of newsprint machines at Red Rock is expected to be completed during the spring of 1954.

The conversion will see Red Rock with a newsprint manufacturing capacity of about 60,000 tons annually as well as a new 180,000 ton annual capacity machine for producing kraft corrugating and liner boards plus facilities for turning out semi-chemical pulp. The company will then be able to convert all pulp produced at Red Rock into finished products. At East Angus, changes will make possible the conversion of all pulp produced into finished papers and boards.

Total output in 1952 was 475,000 tons, as compared with 521,000 tons during 1951. The drop reflecting reduced demand for surplus pulps. Net consolidated working capital at Dec. 31, 1952, amounted to $30,414,460 as against $13,352,223 at Dec. 31, 1951.

Following the consolidation of the major the subsidiaries bonds in an aggregate principal amount of $30 million were issued. Interest charges, together with a portion of bond discount, commission and expenses and other interests payable by the corporation during 1952, amounted to $1,344,958.

(Continued on page 43)



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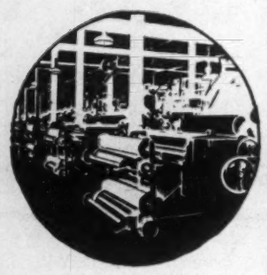

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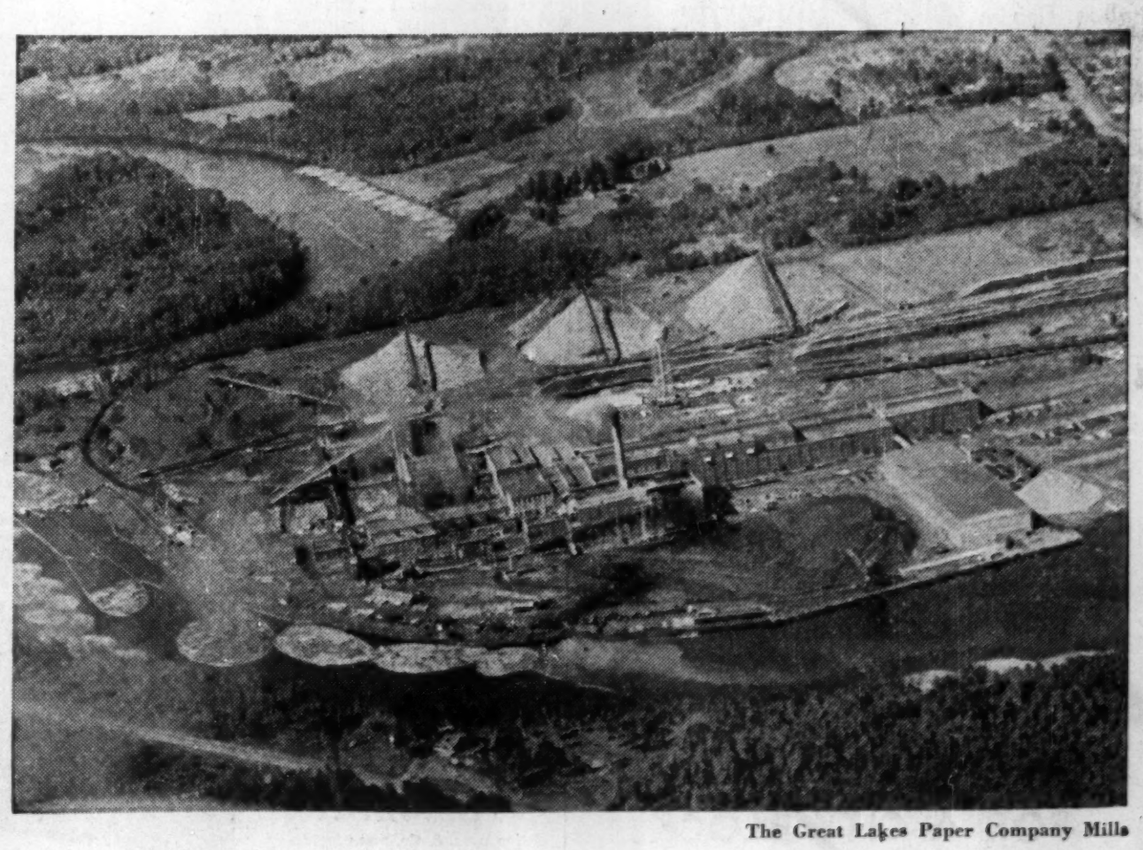

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Record of Building Paper Companies

Arborite Co.

Arborite Co. is a subsidiary of Howard Smith Mills Ltd. It manufactures decorative paper, base laminates for wallboard and table and counter top application, as well as a complete range of paper and cloth laminate for electrical and other industrial uses. Its products are sold under the general name of "Arborite."

The company was formed in 1947 and occupied a new plant at Ville LaSalle near Montreal in 1948. A large expansion program which began in 1950 is now virtually complete. In the 1952 annual report of the parent company it was stated that the improvements in the general handling of raw materials together with added economies in production have proven very satisfactory at the new plant. For the first time in history the report went on, Arborite is now in a position to handle the increasing demand for its many products.

The additional equipment will boost the plant's past capacity by about 50% as well as adding to its flexibility.

Financial statistics of Arborite Co. are consolidated with those of the parent company under the fine paper section.

Building Products

Building Products Ltd. manufactures asphalt, shingles and tiles, rolled-roofing, roofing felt, wallboard, insulating board and sidings, building papers, expansion joints, waterproof paint and cement, fire retarded coating, and allied products. Trade names include B. P., Neponset, Ruberoid, Bird's, Vulcanite, Insul-Board, Insul-Brick, Insul-Board Dry Wall, and Albi.

Over 50 different types of roofing and other building products are marketed. Since 1947, the company has been the prime distributor of Fiberglas building insulation made by Fiberglas Canada Ltd., Oshawa, Ont.

At Pont Rouge, Que., the company operates a two-machine paper mill with additional facilities for converting part of this paper output into wallboard and insulating board; at Montreal, a one-machine paper mill turns out roofing felt and shingles, and a roofing plant produces asphalt roofing, shingles and sidings and building papers; at Winnipeg there is a one-machine paper mill with facilities for converting part of its paper output into wallboard and insulating board, and a roofing plant. Roofing plants are also operated at Hamilton and Edmonton.

On June 1, 1953, the company announced that it would build a paper mill adjacent to its Edmonton roofing plant. In addition to materials for its own use, various papers will be made for sale. Cost of the project was estimated at more than $1 million.

The company also has a rock-crushing and coloring plant at Havelock, Ont., quarries and a rock-crushing plant at Madoc, Ont., and warehouses at Toronto, Halifax, Montreal and Saint John.

Capital expenditures in 1952 totaled $527,948 as against $1,191,319 for the previous year. Commitments for capital expenditure outstanding at the end of the year amounted to $205,349. Main items completed or now in process are a substantial replacement of worn out machinery at Havelock and a new storage building in Montreal. Dollar value of sales in 1952 was slightly ahead of the record 1951 figures and attained a new high for the tenth consecutive year.

President L. S. Odell stated that there was some easing in demand for the company's products during 1952, but that this condition has largely been corrected this year, mainly due to relaxation of credit restrictions which resulted in a pickup in residential construction. Net profit for the year totaled $1,564,101, as against $1,502,516 in 1951.

Sales of the company's products were well ahead of 1952 during the first few months of the current year, the president told the company annual meeting in March, because relatively mild winter weather helped maintain building activities and forward buying for spring requirements was good. Sales volume was termed "very satisfactory" and was expected to remain good until well along into 1953.

Donnacona

The Donnacona, Que., manufacturing facilities of Donnacona Paper Co. include an insulating board mill with an annual capacity of 100 million square feet.

Products of the board mill include rough cast and laminated insulating board; room insulation and plaster lath; rough cast, smooth and colored board; burl board for interior finishes; decorative specialties; Donnacousti sound-absorbing board; asphalt impregnated board; insulated brick siding; refrigerator and special industrial board; termite-proof board; and hard pressed board and tile.

During 1952, according to company President Louis W. Michael, insulating board sales were down from the previous year.

Masonite Co.

Masonite Co. of Canada controlled jointly by Canadian International Paper Co. and Masonite Corp. manufactures Masonite tempered and untempered Presswood, Masonite, Temperite, and Masonite flooring at its Gatineau, Que., plant. Distribution of products is through International Fibre Board & Plywood Sales Ltd., and sales are made in Canada as well as to export markets including the U. S.

The company's $300,000 mill, which started operations in 1940, has a present capacity of 265,000 sq. ft. daily of all kinds and grade of Masonite floorings.

Individual financial and operating statements are not submitted for publication.

Inter. Fibre Board

International Fibre Board Ltd. is a subsidiary of Canadian International Paper Co. It manufactures "Ten-Test" insulating building board, a wood fibre product.

Its plant at Gatineau, Que., produces some 120 million sq. ft. annually. This includes "Ten-Test" insulating board, "Termite-Test" insulating board as well as acoustic board. Distribution of production is handled by another C.I.P. subsidiary, International Fibre Board & Plywood Sales Co.

International Paper Co., which controls Canadian International Paper Co., in its 1952 annual report states that the production of insulating board for the year dropped to 39,288 tons as compared with 46,579 tons for 1951.

Outstanding capitalization of International Fibre Board Ltd. consists of $1.5 million $100 par first preferred stock; 65,000 $6 non-cumulative $5 par second preferred shares; and 10,000 n.p.v. common shares. Its one subsidiary is Tentest Fibre Board Co.

Operating statistics of the company are consolidated, along with those of Canadian International Paper Co., in the International Paper Co. figures.

St. Regis Paper

St. Regis Paper Co. (Canada) Ltd., wholly owned subsidiary of St. Regis Paper Co., New York, produces Panelyte laminated plastics at its plant in St. Jean, Que. Three other Canadian plants manufacture multiwall bags.

The St. Jean mill represents an investment of over $2 millions. Prior to commencement of production there in June, 1951, Panelyte had been supplied by the Trenton, N. J., plant of the parent company.

Volume of Panelyte sales in 1952 increased moderately over 1951, but continued to be adversely affected by lower production of refrigerators, radio, television and household appliances. Late in the year, a new line of decorative Panelyte in a number of wood grain patterns was introduced. Another 1952 development was a thicker sheet for walls and horizontal surfaces aimed at the "do-it-yourself" market.

Sidney Roofing

Sidney Roofing & Paper Co. and its wholly owned subsidiaries, National Paper Box Ltd., and Sidney Products Ltd., operates plants at Victoria and Vancouver, B.C., and Lloydminster, Alta. Warehouses and sales offices are at Victoria, Vancouver, Nanaimo, Edmonton, Calgary, Saskatoon and Winnipeg.

The Victoria plant manufactures roofing products, building papers, paperboard and paperboard cartons. Asphalt roofing and siding are produced at the Lloydminster plant, as well as other construction materials.

National Paper Box Ltd. operates a Vancouver plant, using paperboard products of the parent company to make a full range of paper boxes.

E. B. Eddy Co., subsidiary of Eddy Paper Co., has owned a controlling interest in Sidney Roofing & Paper since 1949.

Consolidated net profit of $200,420 for 1952 was 14.8% lower than 1951 net of $235,162. Earnings were equivalent to $4.01 ($4.70 in 1951) per Class A share and $1.55 ($1.90) on Class B stock. Dividend of 90c per share was paid on Class A stock in each year.

Continued rise in operating costs, reflecting increased wages and salaries, could not be recovered through increased selling prices because of highly competitive conditions, said Vice-president & General Manager J. A. Craig. Sales volume in the roofing division showed a substantial increase over 1951, but this was largely offset by lower volume in paperboard and converting divisions. Paperboard demand was down considerably.

Last year's capital expenditures totaled $243,542, including $156,000 for replacement of equipment and major repairs to buildings at the Victoria plant.

Working capital at Dec 31, 1952, amounted to $1,134,209 ($937,544 a year earlier). Capitalization outstanding at year-end consisted of $1,275,000 first mortgage 3¾% sinking fund bonds due July 2, 1965; 50,000 cumulative convertible n.p.v. Class A shares; and 100,000 n.p.v. Class B shares.

Annual Wood Pulp Output Close to 9 Million Tons

(Continued from page 40)

in the United States basket. But there seems little doubt that U. S. demand for pulp and paper products will continue to rise over the years. It has tripled in the last 25 years, mainly due to steadily rising per capita consumption but also to population growth.

However, the U. S. Department of Commerce, in a recent review stated that, "the large expansion in domestic pulp, paper and paperboard production facilities during the past two years, as well as projects now under way or scheduled for development during the next couple of years, may mean that United States will be largely independent of overseas supplies of wood pulp."

"It is anticipated," the Department added, "that the new domestic pulp producing facilities will exceed the needs of integrated facilities and that sufficient supplies will be offered on the market to meet the requirements of the non-integrated mills ordinarily coming from overseas sources. On the other hand, Canada will continue as an important source of wood pulp inasmuch as a large part of imports from Canada are from pulp mills integrated with United States consuming mills."

Does this forecast keener competition for Canadian mills in the U. S. over the short-term? Maybe it does, particularly if a recession is in the cards and a general slump in the world pulp market occurs.

But over the long-term, it seems certain that American industry will have to depend on Canada for a substantial share of its pulp requirements. Actually, the tripling of U. S. pulp consumption in the last 25 years has taken place entirely through expansion of domestic production, with imports showing almost no over-all gain. But whether this process could be repeated in the next quarter-century is at least questionable, the limiting factor being wood supplies.

Last year's 8.8 million ton Canadian pulp output was up 4.3 million tons from 1939. While exports recorded a 1.2 million-ton gain at 1.9 millions, domestic consumption rose by 3.1 million tons to 6.9 millions.

Gains Across the Board

Newsprint, by far Canada's biggest item in paper production and exports, has taken most of the increase. But makers of book and writing paper, paperboard and the various other products whose market is almost completely in Canada, have also registered big gains.

All newsprint forecasts are pointing to a further substantial increase in Canadian production over the next 20 years. At the same time, the domestic market for other pulp and paper products should show substantial gains as Canada's economy is further developed and population expands. In addition, of course, there's always at least the chance that lowering of world tariff barriers might open the doors for more of Canada's pulp in the form of finished products, such as paperboard, fine papers, etc.

Newsprint Cos.

(Continued from page 42)

Due largely to the drop in U. S. exchange and to sharply higher depreciation, net profit of St. Lawrence Corporation of 1953 was down 24.5% from the same period of 1951. At $6,210,511 it was equal to $5.63 per share, against $9,247,477 or $8.38 per share a year earlier. Net profit for the six months ended June 30, 1953, totaled $2,335,283, compared with $3,096,989 in the first half of 1952.

On completion of its present expansion program, St. Lawrence Corp. will be the fourth largest unit in the Canadian pulp and paper industry. Planned improvements at Three Rivers and Dolbeau will boost newsprint annual capacity by 43,950 tons at these two mills over the four years, 1952-55.

Over-all annual capacity of newsprint will then amount to 371,475 tons or 56.8% of total available capacity (58.7% at present); kraft paper and container board capacity will amount to 234,000 tons annually or 35.8% of total available capacity (now 26.1%); and annual surplus pulp capacity will total 48,000 tons or 7.4% of total available capacity (currently 15.2%).

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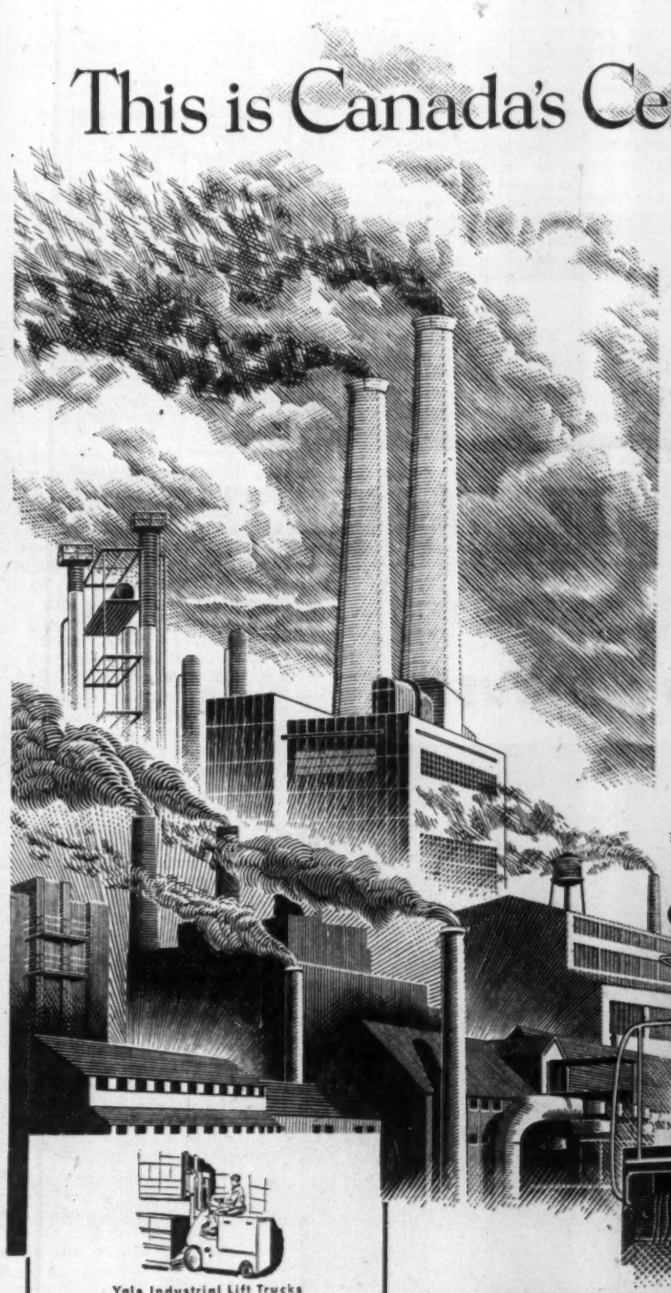
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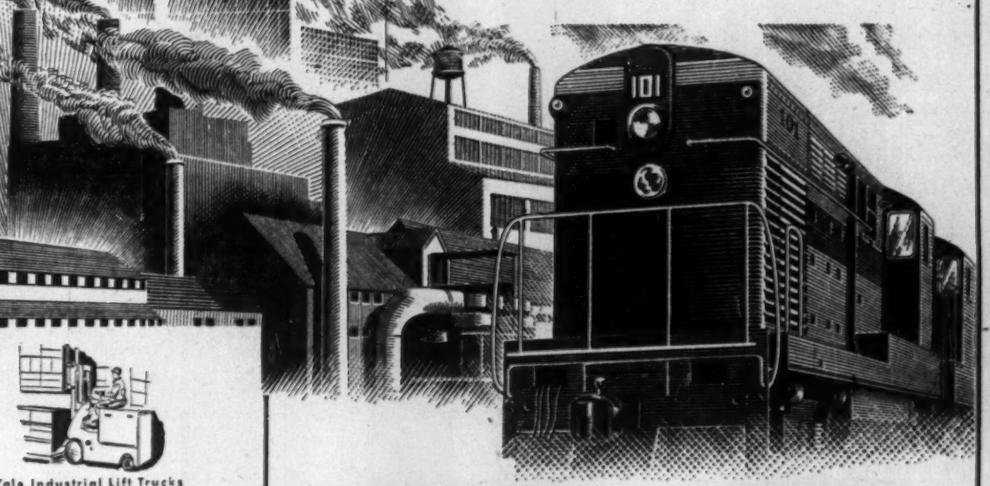
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LONG-TERM PLANNING

Ontario's Look at Forest Resources

Here Are Highlights of Reports on Inventories in 16 Areas

One of the most important forest surveys ever undertaken in Canada is nearing the stage of a final report.

It is Ontario's survey of the forests in an area of 172,000 square miles, covering the accessible forests of the province.

The inventory covers 16 of the 22 administration districts of the Department of Lands and Forests, and parts of two of the remaining six districts.

So far, complete reports on 10 of the areas have been published.

"While the report deals primarily with the physical resources, the underlying purpose has been to measure the capacity of the forest to contribute to employment and community welfare, and to the industrial and commercial development of the province as a whole. This objective may be attained most effectively, through the use of the comprehensive forest resources data in the preparation of long term management plans," the department points out in a preface to the reports.

Commenting on forest land ownership, the report states:

"It has been the policy in Ontario from the very beginning to retain forest land in public ownership, leasing to operators for varying lengths of time the right to cut and remove timber from the public domain. Lands suitable for agriculture have been opened for settlement and lands have been granted or sold under the various land settlement regulations which have been in force from time to time. Lands are also patented for mining purposes, summer resort, and for other uses. All of these various types of ownership are grouped under "Patented Lands," which include all lands owned privately in contrast to Crown lands. It has been the usual practice in Ontario to reserve all pine timber to the Crown at time patent is issued, while on some lands patented for mining, all timber is reserved to the Crown. The ownership of timber on privately owned lands is therefore an intricate mosaic. In the course of the inventory no attempt has been made to record separately, timber occurring on patented land but reserved to and owned by the Crown."

In detail, the report on each district gives facts and estimates on land ownership, type of forest, extent of mature and immature forest of each type, and details of allowable cut and actual utilization of each species.

Here are the highlights of the reports on each area:

North Bay

1. The total area of the North Bay district is 3,482,164 acres, 5,441 square miles. Productive forest lands occupy 2,740,029 acres, 79% of the total area, water covers 11% of the total area and 10% is made up of non-productive forest lands and lands withdrawn from forest use.

2. Privately owned lands cover an area of 480,115 acres, 14% of the total area. Only 11% of the productive forest is privately owned. Developed agricultural lands occupy 117,580 acres or 24% of the total area under private ownership.

3. The total timber resources of the North Bay district are just under four billion cubic feet. More than one-half of this volume is made up of hardwoods, principally popular and white birch. White and red pine, the most important saw timber species, makes up over one-third of the softwood volume. Spruce and balsam, the premier pulpwood species, comprise somewhat less than one-third of the softwoods. The balance of the softwood is made up of jack pine, hemlock and cedar.

4. The annual allowable cut, or net depletion allowable under sustained yield management, is 87 million cubic feet. Of this total allowable cut, 90% is on Crown lands and 10% on patented land.

5. The valuable conifer or softwood species make up only 39% of the allowable cut and the hardwoods, mainly poplar and white birch, comprise the major portion 61% of the allowable cut.

6. A comparison of annual allowable cut with the actual utilization of timber for Crown lands in the North Bay district indicates that the two pines, red and white, were cut at a rate more than double that permitted under sustained yield regulations. If red and white pine continue to be utilized at these rates, the present mature timber stands will be exhausted within the next 20 years. At the end of that period white and red pine would come, for the most part, from presently immature stands, and the allowable cut may then drop from its present 31 million feet to about 8 million feet board measure. Only 9% of the allowable cut of hardwood species, poplar, white birch and others, is currently utilized in the North Bay district.

Timiskaming

1. The total area of the Timiskaming district is 3,449,202 acres or 5,389 square miles. The cover type distribution of the 2,709,903 acres of productive forest land is 51% mixed woods, 25% coniferous and 15% hardwood, and by age classes is 32% reproducing forest and regeneration areas, 47% immature forests and 21% mature forest areas.

2. Privately owned lands cover an area of 757,096 acres or 22% of the total district area which is reduced to 17% in relation to the productive forest area. Developed agricultural lands occupy 172,022 acres or 5% of the total district area.

3. The gross total volume of talliable standing timber in the Timiskaming district is 3,342,852,400 cubic feet. This is growing on 1,829,827 acres and averages 1,827 cubic feet per acre. Of this volume, 2.8 billion cubic feet is growing on Crown lands, while about 500 million is on patented land. Poplar and white birch are the leading species in the district representing approximately half of the entire growing stock with jack pine, black and white spruce coming next. Other species are in relatively minor quantities.

4. The annual allowable cut, or gross depletion allowable under sustained yield management, is slightly over 95 million cubic feet, with 36 million being coniferous species and 59 million being hardwoods. Of this total figure 73 million cubic feet is on Crown land, while 22 million is on patented land.

5. The coniferous species make up about 38% of the total allowable cut and hardwood species compose the balance or 62%. Poplar and white birch form the bulk of the hardwood allowable cut while jack pine forms about half the allowable cut of conifers.

6. A comparison of the allowable cut with actual utilization indicates that no species is being overcut in the district. However, 67% of the allowable cut for white and red pine is utilized, 84% of the jack pine and 76% of the allowable cut of the white and black spruce is being currently utilized in the district. Since these three species groups contain 88% of the total allowable cut of conifers, a very narrow balance remains to provide for losses from fire, insects and other agencies. Only a very small proportion of the allowable cut of hardwoods is presently being utilized.

Cochrane

1. The total area of the Cochrane district is 7,355,150 acres. Classified into broad land classes, 75% is productive forest land, 17% non-productive lands, 1% is non-forested land and 7% is water.

2. Ninety per cent of the total area is owned by the Crown and 10% is patented land. There are a total of 60,652 acres of developed agricultural land. Only about 7% of the patented land area is in farm crops.

3. The volume of wood in the Cochrane district including all species is 8.25 billion cubic feet. Four-fifths of the total volume is in mature stands which average 2,176 cubic feet per acre.

4. The most important species is black spruce which makes up 45% of the total volume. Among the conifers or softwood species, balsam fir with 13% of the total volume comes second, followed by white spruce with 7% and jack pine with 6% of the total volume. Two hardwood or broadleaved species have important volumes, poplar making up 20% and white birch 7% of the total cubic volume.

5. In the mature age class on Crown lands only 26% of the volume of conifers is in the sawlog size class, 10 in. and over in diameter. White spruce and jack pine furnish most of the sawlog size material; only 14% of the volume of black spruce is 10 in. d.b.h. and over. Of the total volume of hardwoods in the mature forest on Crown lands, 73% is in the 10 in. d.b.h. and over size class.

6. The annual allowable cut for conifers on Crown lands is 96 million cubic feet gross total volume, made up of 65% black and white spruce, 21% balsam fir, 12% jack pine and 2% other conifers. No species is at the present time being cut at a rate over the allowable cut. The utilization of coniferous or softwood species is currently 49% of the allowable cut. Only about 2% of the allowable cut of hardwoods is being utilized at the present time.

7. The allowable cut of all species on patented lands is 26 million cubic feet, which is equally distributed between softwood and hardwood species.

Kapuskasing

1. The Kapuskasing district lies in the Clay Belt region of Ontario, an area of deep clay, highly productive soils on which the finest pulpwood forests in the province grow. Industrial development of the district based almost wholly on the pulpwood resources is only a little over 25 years old. The forests of the district are predominantly mature virgin stands of black spruce, modified locally and to a limited extent by agricultural settlement. White spruce grows to large sizes on the well-drained soils along river and stream valleys and in the mixed upland forests. From these stands a small but thriving sawmilling industry derives supplies of timber.

2. The total area of the Kapuskasing district is 10,394,309 acres or 16,241 square miles. Productive forest lands occupy 8,061,696 acres, 77% of the total area. Water covers 4% of the total area and 19% is made up almost wholly of non-productive forest lands.

3. Patented lands cover 10% of the total area leaving the major portion in Crown ownership.

4. The total timber resources of the district are over 13 billion cubic feet, 67% is of the valuable coniferous species and 33% hardwoods. Black spruce is the most important species making up about two-thirds of the conifer volume on Crown lands.

5. The annual allowable cut on Crown lands is 91 million cubic feet for conifers and 86 million cubic feet for hardwoods before any deductions are made for losses in growing stock from sources other than industrial utilization.

6. Of all wood utilized from Crown lands in the Kapuskasing district, 86% is spruce. Spruce, however, makes up only 37% of the total allowable cut.

7. A comparison of the annual allowable cut with the actual utilization of timber for Crown lands shows that no species is being overcut at the present time. Spruce with an allowable cut of 66 million cubic feet, and an actual cut of 53 million cubic feet has a narrow balance to provide for losses due to fire and other causes. All other species are being utilized well within their allowable cut with a very large surplus of poplar and white birch unused at the present time.

Port Arthur

1. The total area of the Port Arthur district is 10,811,831 acres or 16,893 square miles. Productive forest lands cover 73% of the total area, non-forested lands occupy 2%, non-productive forest lands 7% and water surface 18%.

2. Of the total area of the Port Arthur district 89% is Crown land, 3% is patented land, comprising Grand Trunk Pacific blocks 1-6 and 8% is patented land in small holdings. For the purposes of this report G.T.P. blocks 1-6 are treated as Crown lands.

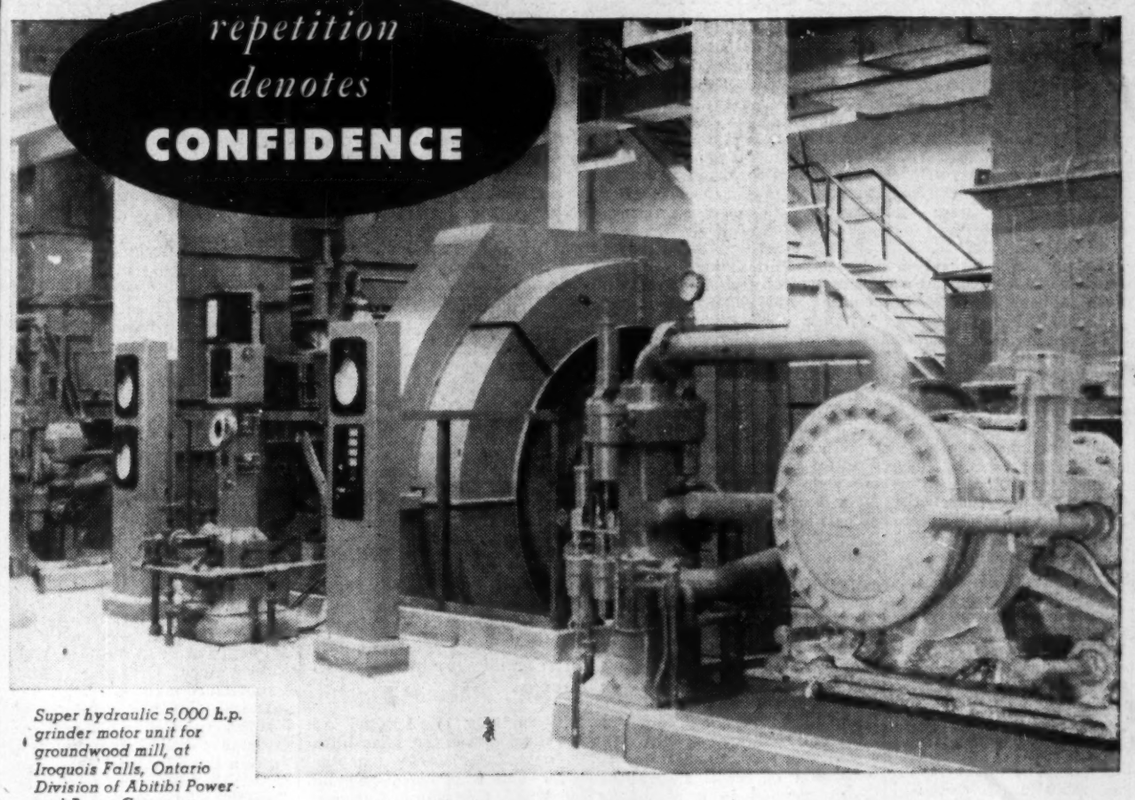
3. The age class distribution for the productive forest lands of the district shows 40% of the area mature, 35% immature, 15% young growth and 10% reproducing forest.

4. The volume of the primary growing stock in the Port Arthur district is just over 12 billion cubic feet. This is an average of 1,557 cubic feet per acre for the productive forest area of the district.

5. Of the total volume, 63% is made up of conifers or softwoods species and 37% is hardwood or broadleaved species.

6. In the mature age class on

(Continued on page 46)



Super hydraulic 5,000 h.p. grinder motor unit for groundwood mill, at Iroquois Falls, Ontario Division of Abitibi Power and Paper Company, Limited.

From 1921—when Foundation submitted an engineering report on the Twin Falls Development—to 1953 Abitibi Power and Paper Company, Limited have entrusted many of their construction and mechanical installation projects to Foundation.

Foundation built the groundwood mill and installed all mechanical equipment at Iroquois Falls. Other projects that have been carried out for this client include soil investigations, conveyor systems, underpinnings, hardboard mill building and many other projects.

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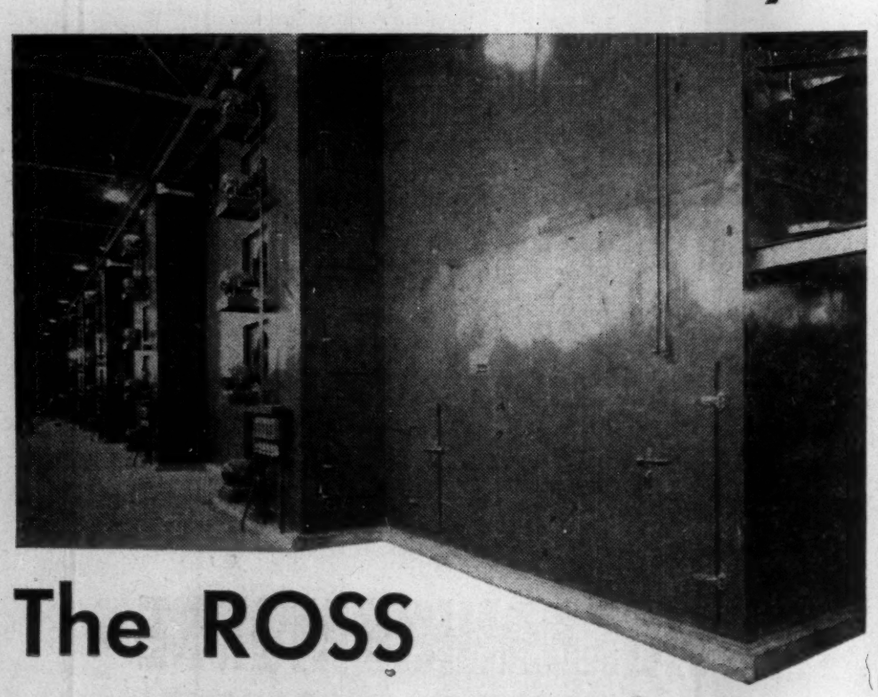

The ROSS PULP DRYER

For many years the industry has hoped to overcome difficulties in pulp drying due to internal leakage, soilage, and high maintenance costs. These and other major problems have been solved with the recent introduction of the new ROSS Pulp Dryer. Drying pulp in a continuous operation with externally heated air is now possible — thanks to ROSS engineers — always striving for better methods of producing better products at higher speed and lower cost.

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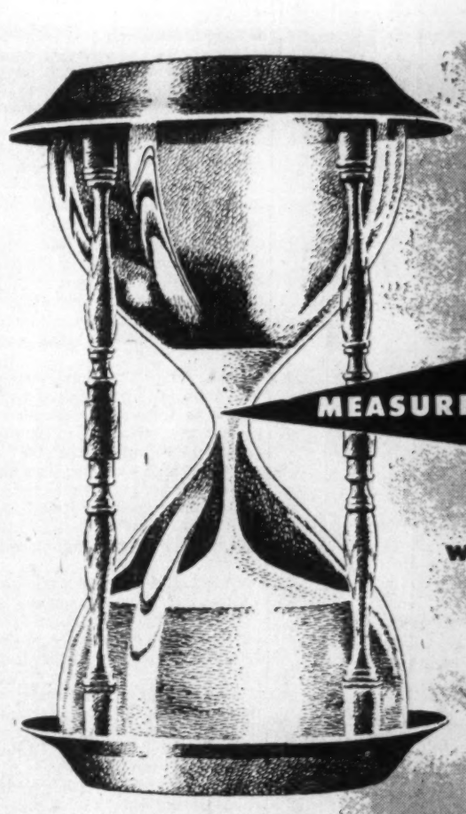

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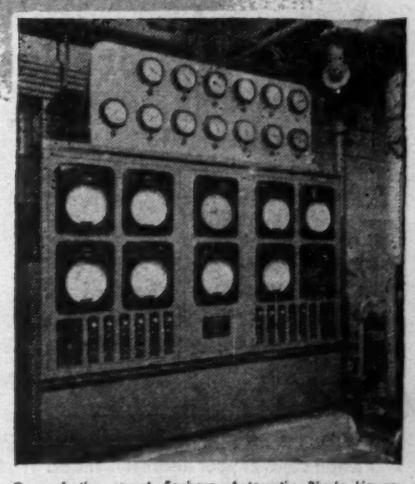

One of the recent Foxboro Automatic Black Liquor Evaporator Control Systems installed in a large Kraft Pulp Mill. Included in this cabinet panel is a Beaume Controller which maintains a uniform end product.

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The Newsprint and Pulp Price Record

Year	Groundwood Pulp: Newsprint (N.Y.)	Groundwood Pulp: No. 1 Canadian	Groundwood Pulp: Scandinavian (dry)	Soda Pulp: Dom. No. 1 Bleached	Sulphite Pulp: Bleached: Dom. No. 1 Book	Sulphite Pulp: Bleached: Foreign Prime	Sulphite Pulp: Unbleached: Dom. No. 1 Book	Sulphite Pulp: Unbleached: Foreign Extra Strong	Sulphate Pulp: Bleached: Dom. Northern	Sulphate Pulp: Bleached: Foreign Prime	Sulphate Pulp: Unbleached: Dom. No. 1	Sulphate Pulp: Unbleached: Swedish
	$	$	$	$	$	$	$	$	$	$	$	$
1939	50	21-32	21½-42	†51	†50-54	45-60	‡40-45	34-50		50-70	35-45	26-43
1940	50	31-35	40-50	†58-66	†60-72½	60-85	†50-67½	52-75	65-85	70-95	45-70	45-75
1941	50	31-33		†66	†72½	80-90	†63½	70-75	85-90	90-100	70-75	75-80
1942*	50	45-46		66	72½-76		63½-66		86		73	
1943*	50-58	46		66	76		66		86		73	
1944*	58	46-50		66-72	76-86		66-74		86		73	
1945*	58-61	50		76	86	86	74	74	86	86	73	73
1946*	67-84	50-64		76-93½	86-107½	86-107½	74-94	82-94	97-107½	94-107½	73-89	73-89
1946 (Dec.)	84	§70-80		105-110	105-115	115-165	85-95	95-133	100-110	110-120	80-95	90-95
1947	84-90	§75-85	107½-110	110-125	115-125	120-185	105-115	120-165	110-135	125-185	95-125	89-145
1948	96-100	§80-85		130-135	126-135	165-195	125-130	140-165	155-185	165-190	120-135	127½-147½
1949	100	§60-80		113-130	118-126	118-130	100-130	100-140	122-147½	125-165	82½-125	82½-127½
1950	100-106	65-100		113-142½	118-165	118-170	100-150	100-157	118-200	125-180	82½-155	82½-165
1951	106-116	85-100		140-142½	135-165	175-290	132½-150	153-265	135-200	180-315	132½-175	153-295
1952	116-126	80-100		♦145-16	♦140-175	137½-225	♦135-162½	115-200	♦145-200	140-230	♦100-175	100-200
1st Qtr. 1953	126	60-90		140	140-145	137½-140	130-135	115	143-155	140-142½	100-125	100-105
2nd Qtr. 1953	126	60-90		140	140	130-135	120	110	145-155	137½-142½	100-125	100-105
3rd Qtr. 1953	126	60-90		140	140	130-135	120	110	145-155	137½-142½	100-135	100-105

‡Where two prices shown, they represent high and low for the period. Prices are in U. S. dollars per air dry ton (2,000 lbs.).
†Quoted "ex-dock Atlantic seaboard." §Quoted "delivered."
♦"Domestic" prices in 1952 are Canadian prices. Prices in the U.S. are not shown as U.S. pulp producers were selling under price ceiling regulations.
*From April 30, 1942, through Nov. 10, 1946, maximum prices for woodpulp and newsprint in the U.S. were fixed by the Office of Price Administration. Prices for European pulp were the same as the OPA maximum prices for domestic and Canadian pulp, plus freight charges over and above a fixed transportation allowance.
Note: There were no quotations for European pulp after September, 1941. Resumption of imports from Europe began in July, 1945. Prices for foreign pulp are quoted "ex-dock New York" or "ex-dock Atlantic seaboard" (except under OPA). Freight charges normally add $5-$10 a ton to pulp prices quoted "ex-dock." From mid-1949 to mid-1950, foreign pulp was quoted "full freight allowed."
Unless otherwise specified, domestic and Canadian prices are quoted "f.o.b. pulp mill" (with varying maximum freight allowances since December, 1946), except during OPA control when quoted "delivered," plus freight charges over and above specified maximum freight allowances. Quoted "full freight allowed" in most cases after July 1, 1949.
Source: United States Pulp Producers Association.

BUILDING PRODUCTS

'Houses' That Pulp and Paper Build

Output for Construction Industry Jumps to $30 Millions

Wood-base building materials and decorative board are not commonly included when one thinks of pulp and paper, but these products are providing an increasing source of revenue for the industry.

The demand for these materials continues to increase as new ways of using existing products, and new products, are developed by pulp and paper producers.

Individually such items represent a small part of total industry output. Together, however, they not only bring in useful dollars but also contribute to the achievement of one of the industry's important goals—more complete use of our forest resources.

Prewar there was only one Canadian producer of hardboard —a building board demand for which has greatly expanded in the construction field. Now there are three, and capacity has been more than doubled in five years.

Since the war, production has been greatly expanded in the field of decorative overlay board such as Arborite and Panelyte.

Well-known in the construction field are the fibre wallboard and rigid insulation boards produced by the industry

Then there's the wide variety of building papers that are used in quantity.

Many of these products are not new. But builders—both professional and the "do-it-yourself-in-your-spare-time" enthusiasts — have found increasing use for such materials.

Hardboard Production

Take hardboard, for instance. Masonite Co. of Canada, jointly owned by Masonite Corp. in the U. S. and Canadian International Paper, has been producing it for many years at its Gatineau, Que., plant. It's the biggest producer in the industry, with a capacity of 78 million sq. ft. annually.

In 1948, the Pacific Veneer & Plywood division of Canadian Forest Products Ltd. at New Westminster brought a hardboard plant into production. Its capacity is approximately 35 million sq. ft. annually.

Then in 1950, with demand still rising, Abitibi Power & Paper established a plant at Sturgeon Falls with a capacity of 55 million sq. ft. annually. Main raw material is hitherto unused poplar in the mill area.

These three mills last year produced 149 million sq. ft., of which about two thirds was sold in Canada and the balance exported. Production in the first six months this year was up 14% and exports were 25% higher.

Hardboard is a versatile and strong board, used for wall paneling, ceilings, sub-floors and cabinets. Hardboards can be bent and applied to curved surfaces. Some are marketed already scored to resemble wall tile. They can be sawed, planed or glued. Exterior uses are also being developed.

Fibre Wallboards

Fibreboards are softer, and are used as wall paneling, plaster lath, roof insulation, ceiling tiles, and exterior sheathing. In addition to their insulating properties, they are sometimes topped with colored granules on an asphalt saturated base to give lasting climate-proof protection in brick, stone or shingle designs.

Among the big producers of fibre wallboards are Beaver Wood Fibre Co., Thorold; Wallboards Ltd., Toronto; and Building Products Ltd., Pont Rouge, Que. Building Products at Winnipeg and Ville La Salle, Donnacona at Donnacona, Que., and International Fibre Board, Gatineau, Que., are the big producers of rigid insulation boards.

"Arborite," a paper base plastic laminate produced by a wholly owned subsidiary of Howard Smith Paper Mills, grew out of wartime experiments with a hardboard impregnated with lignin instead of the phenolic resins commonly used.

Arborite has become widely used as a decorative wallboard and for table tops. It is marketed in three forms: a four by eight foot decorative wallboard grade approximately one eighth of an inch thick, specially designed for on-the-job construction; a 1/16 in. table top grade usually laminated to a plywood or other wood core; and a solid ¾ in. table top grade which is entirely self- supporting.

"Panelyte," produced by St. Regis Paper Co. in a new plant at St. Johns, Que., is another decorative overlay board which has been steadily developing in volume since production was started two years ago. Still another type is "Duralam," produced by Duralam Ltd. at St. Jovite, Que.

Used in Broad Field

Among the many uses for these boards are sink drainboards, table tops, bathrooms, coffee table tops, wall paneling, bars, office furniture.

Their makers claim such advantages as:

—Won't crack, rot or curl.
—Requires no painting or refinishing.
—Easily wiped clean.
—Unaffected by alcohol, fruit juices, mild alkalis and acids.
—Comes in variety of colors and patterns.
—Is not brittle.

Building papers are turned out in a variety of plain, saturated and coated types. Built-up roofing and membrane waterproofing are common examples. Others include vapor barrier papers, installed on the inside face of insulated walls, and sheathing papers designed to "breathe," thus permitting water vapor trapped in the wall to escape.

Some pulp and paper producers are also big manufacturers of plywood. In Eastern Canada this has enabled them to make use of hardwood stands that otherwise would have been left unused, since most of the pulping processes are based on softwoods. Use of hardwoods for pulp is increasing, but it is still a small part of the total.

The development of the new building materials is based to a great extent on the work of the men with the test tubes.

Development of Arborite

In its annual report this year, Howard Smith Paper Mills told of the development of its Arborite. First plant was built in 1948 with an area of 60,000 sq. ft. Although provision was made for expansion, so rapid was the growth of demand that 37,000 sq. ft. had to be added in 1950 and another 45,500 sq. ft. in 1951-52.

How does such a product get its start? Reports the company:

"The first chapter in the development of Arborite began during World War II, when material shortages spurred the search for substitutes. At that time, there had been an increasing use of laminates for many types of equipment and construction. These were universally made from paper impregnated with a phenolic resin, but the phenols (carbolic acids) were in short supply, and their production could not readily be increased.

"In the search for a substitute for the scarce phenolics, attention became focused on one of the constituents of wood, known as lignin. This is the natural resin which nature uses to bind the individual fibres of wood to each other, and impart its solidity and strength.

"The obvious source of lignin was the chemical pulp industry. In this process wood chips are subjected to the action of chemicals which dissolve the lignin, thus freeing the fibres, and is either sewered or burned in a chemical recovery furnace. Potentially vast quantites of lignin were available, but although much work had been done by others in prior years, no process existed for the separation of the lignin from the spent pulp-making liquor which, in its final form, could be employed in the manufacture of a plastic laminate.

"The need for such a product was urgent and we were encouraged and assisted in this development by agencies of the Governments of both the United States and Canada."

Eventually research efforts developed a process sufficiently promising to result in the construction of a large scale pilot plant at Howard Smith's Cornwall division, consisting of a lignin extraction plant and a full size laminating press.

Before it got into operation, however, the war ended and the new product saw no war service.

At that time, the product was in the form of a hard board with good water resistance and considerable structural strength. It was dark walnut in color, and had a relatively smooth but mottled surface. Except for a few structural uses, however, company felt its market possibilities were limited.

On the other hand, it had certain advantages in that lignin could be produced much cheaper than phenolic resin, and could be introduced into the pulp prior to paper making, thus eliminating the costly after-treatment of impregnation and drying.

After an extensive market research program, it was decided that a new and sizable market could be developed for a decorative wallboard, the surface of which would carry attractive patterns. It was on this basis that the project went ahead. Now it has proven itself as a good surfacing material in a wide variety of products and locations.

The market for decorative boards is tied to some extent to the market for furniture. But the growth undoubtedly reflects also the large amount of residential housing that is being built.

Housing is a big factor in the rigid insulating boards and hardboards. The increasing in residential construction activity this year has undoubtedly had an effect on the increased sales of these latter items this year.

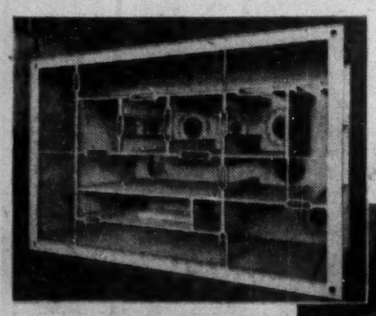
As mentioned earlier, first half production of hardboard was up 14% at 87.7 million sq. ft. (on a ⅛ in. thickness basis) compared with 77 million a year ago. First half shipments to domestic users totaled 63.9 million (49.4 million) and exports 23.7 million (19 million).

Production of rigid insulating board (in terms of half-inch thickness) was 130.1 million sq. ft. (122.4 million). Output for the full year 1952 was 241.4 million compared with 292.4 million in 1951, 227.3 million in 1950 and 22.7 million in 1949.

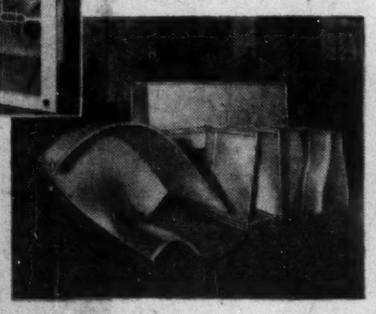
Domestic shipments of rigid insulating board in 1952 totaled 235 million sq. ft., of which 106.9 million was building board (panels), 26.4 million asphalted sheathing board, 16.3 million lath for plaster base, 47.7 million roof insulation board, and 27.7 million other rigid boards.

Value of production of building boards and building papers amounts to about $30 millions a year, against $15 millions in 1946.

for that custom-built stainless equipment—



SPECIAL MIX BOXES, TANKS



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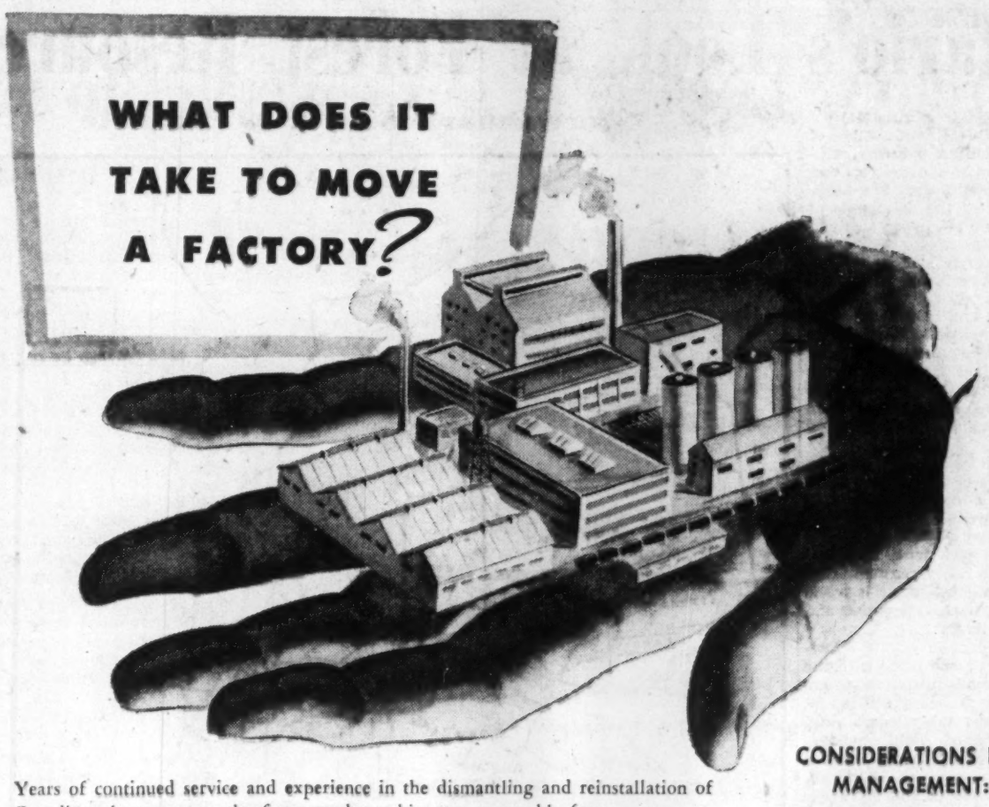

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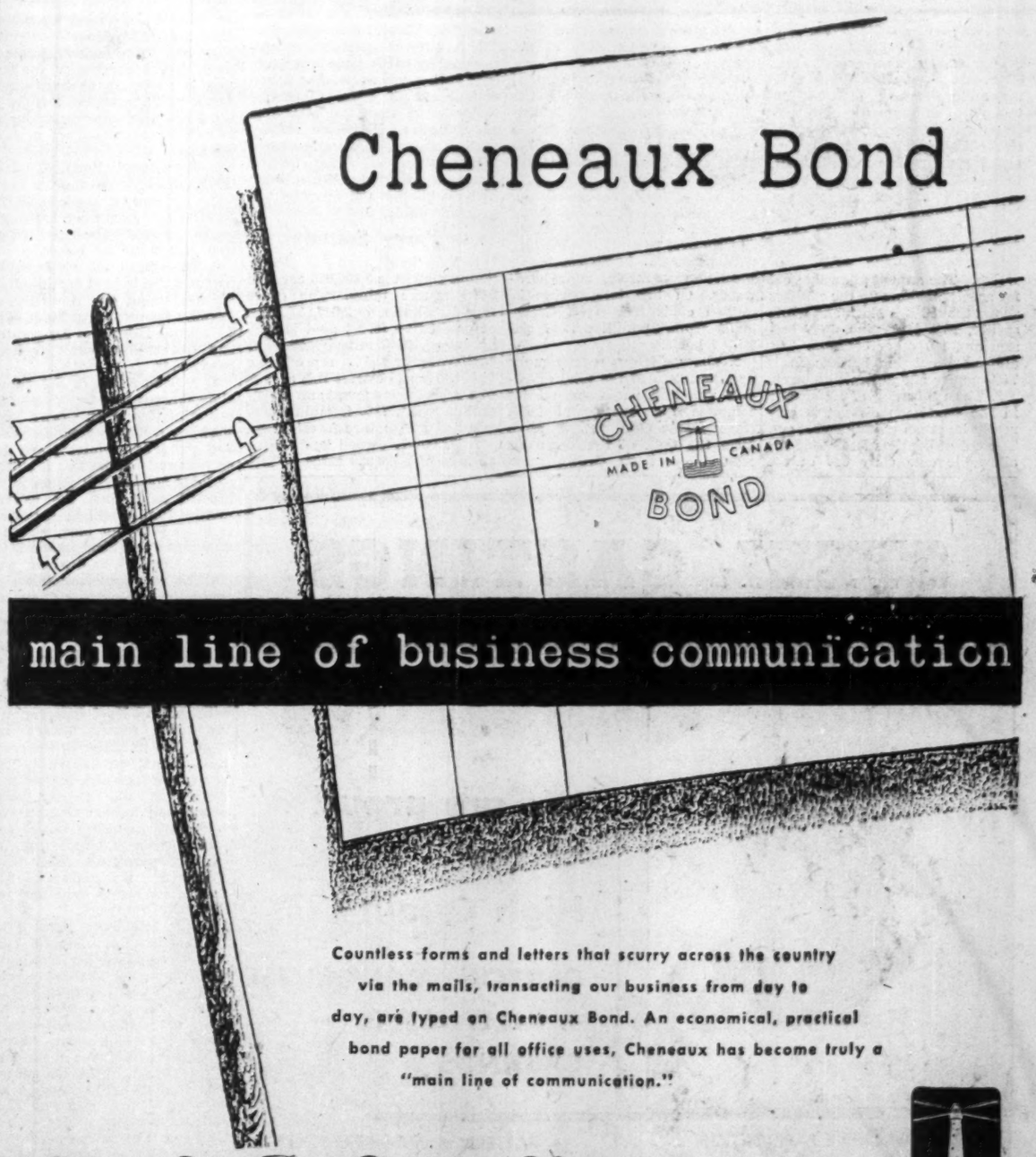

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Ontario's Look at Forest Resources

(Continued from page 44)

productive forest lands, 62% of volume of conifers is in the pulpwood or cordwood size class and 38% is of sawlog size. For hardwoods, 44% of the volume is of pulpwood and cordwood size and 56% is in the sawlog size class. Jack pine has 54% of its volume in the mature forest in sawlog sizes, white spruce 72%, black spruce 23%, and balsam fir 29%.

7. The annual allowable cut or tota' depletion allowable under sustained yield management for the Port Arthur district is 235 million cubic feet, 90% of which is on Crown lands and 10% on patented lands.

8. Of the allowable cut on Crown lands of 210 million cubic feet, 53% is conifers and 47% hardwood species. The allowable cut of conifers is made up of 47% spruce, 32% jack pine, 18% balsam and 3% other conifers. The hardwood allowable cut is made up of two species, 71% poplar and 29% white birch.

9. A comparison of the allowable cut on Crown lands with the current actual utilization shows that spruce is being utilized at approximately the allowable cut under sustained yield management. All other species have a margin for expansion in utilization. Only 4% of the allowable cut for hardwoods is being utilized.

Geraldton

1. The total area of the Geraldton district is 7,884,547 acres or 12,320 square miles, 79% of the area is productive forest land, 2% is non-forested land, 11% is nonproductive land and 8% is water surface.

2. The total area of the Geraldton district is almost wholly in the ownership of the Crown; only 1,113 acres are privately owned.

3. The forests of the district are predominantly mature with 57% mature, 23% immature, 12% young growth and 8% reproducing forest.

4. The valuable coniferous type is widespread in the district covering 57% of the total area, 30% is mixedwoods, 5% hardwood and 8% reproducing forest.

5. The volume of the primary growing stock is just over 10 billion cubic feet. Conifers make up 67% of the volume and hardwoods 33%.

6. The most important species is black spruce which makes up 38% of the total volume, jack pine contributes 13%, white spruce 7%, balsam fir 8%, poplar 20% and white birch 13%. The balance is made up of small amounts of white cedar and larch.

7. In the mature forest 64% of the volume is in pulpwood size material 4-9 in d.b.h. and 36% in the sawlog size class 10 in. d.b.h. and over. For conifers in the mature forest, 71% of the volume is in pulpwood size material and 29% in the sawlog size class. White spruce and jack pine are the main sawlog producers. Only 17% of the volume of black spruce is 10 in. d.b.h. and over.

8. The annual allowable cut for Crown lands is 160,718,750 cubic feet. Of this amount 55% is made up of conifers and 45% hardwoods. The annual allowable cut for species making up the conifers shows that 58% is black and white spruce, 28% jack pine, 13% balsam and 1% other conifers. The allowable cut for hardwoods is 71% poplar and 29% white birch.

9. The utilization of all species in the Geraldton district is currently less than the allowable cut. The cut of conifers is 47% of the allowable cut. Only 6% of the allowable cut for hardwoods is utilized.

Where Ontario Survey Is Complete

Shaded areas indicate the administrative district of Ontario's Department of Lands and Forests on which reports of the forest inventory have been published.

Algonquin

1. The total area of the Algonquin district is 3,336,362 acres or 5,213 square miles. The cover type distribution within the productive forest area is 13% coniferous, 40% hardwood, 46% mixedwood; and by age classes is 10% regeneration and reproducing forest area, 66% immature forests and 24% mature forest area.

2. Privately owned land covers 719,935 acres or 24% of the total land area in the district. Developed agricultural lands occupy 287,616 acres or about 40% of the total patented land area.

3. The gross total volume of standing timber in the district is 5,715,978,000 cubic feet. Of this volume, 4.9 billion cubic feet is growing on Crown lands, while about 808 million is on patented lands.

4. The annual allowable cut, or gross depletion allowable under sustained yield management, is slightly over 56 million cubic feet, with 13 million being coniferous species and 43 million being hardwoods. Of this total figure 35 million cubic feet is on Crown lands, while 21 million is on patented lands.

5. The coniferous species make up about 24% of the total allowable cut, and hardwood species comprise the balance of 76%. Hard maple and yellow birch form the bulk of the hardwood allowable cut on Crown lands while hemlock, white pine and white spruce form over half the allowable cut of conifers.

6. A comparison of the allowable cut on Crown lands with actual utilization indicates that if white and red pine are to be cut at the present rate of 4,859 thousand cubic feet per year, then the existing mature timber will be exhausted within the next nine years. At the end of this period, utilization of these two pines may either cease until other stands become mature, or immature stands would have to be cut which, of course, is against the accepted practices of forest management.

7. A different problem is represented by hard maple and birch, both yellow and white. The actual annual cut of these species is much lower than the allowable cut indicates. Restricted cutting of these species causes undesirable accumulation of over-mature stands, where losses on increment in both quality and quantity appear inevitable.

Parry Sound

1. The total area of Parry Sound district is 3,830,625 acres or 5,985 square miles. The cover type distribution of 2,847,587 acres of productive forest land is 57% hardwood, 34% mixedwoods, 8% coniferous and 1% reproducing forest. By age classes this area is 20% reproducing forest and regeneration areas, 71% immature forests and 9% mature forest areas.

2. Privately owned lands cover an area of 1,598,929 acres or 42% of the total district area. Developed agricultural lands occupy 205,807 acres or about 13% of the patented land area.

3. The Parry Sound district once contained large areas of white and red pine, now greatly reduced through extensive lumbering and fire. The general character is that of hardwood and mixedwoods where hard maple, yellow birch and poplar play prominent part with hemlock and mostly second growth white pine in admixture.

4. The total timber resources of the district are almost 4.2 billion cubic feet, 2.3 billion on Crown lands and 1.9 billion on patented lands. Three-quarters of the volume is made up of hardwoods. About 1.6 billion cubic feet are in 4-9 d.b.h. size, the remainder of 2.6 billion cubic feet are of sawlog size.

5. The annual allowable cut on Crown lands is 9.9 million cubic feet, 1.2 million cubic feet for conifers and 8.7 million cubic feet for hardwoods, before any deductions are made for losses.

6. The annual allowable cut on patented lands is 47.6 million cubic feet, about five times the allowable cut on Crown lands, with 8.1 million cubic feet for conifers and 39.5 million cubic feet for hardwoods.

7. A comparison of the annual allowable cut with the actual utilization of timber on Crown lands shows a heavy overcut in white and red pine, hemlock, and two spruces and balsam fir. If cutting of these species will go on at the present rate, then the existing mature timber will be exhausted in three years for pine, spruce in nine years and hemlocks in seven years. Conifers, as a whole, were cut at a rate approximately eight times the allowable cut, the cut of hardwoods was 77% of the allowable cut.

White River

1. The White River district is located in the Boreal forest zone, with relative level topography in the north, rolling toward east, rough and irregular in the southwest. Black spruce, white birch, poplar and jack pine are the main species in the district; white spruce and balsam fir appear in moderate quantities, and larch, yellow birch and red maple are scarcely represented. Most of the district is of mixedwoods type, 27% is coniferous type and only 11% pure hardwood.

2. The total area of the White River district is 4,375,396 acres, or 6,837 square miles. Productive forest lands are 3,866,391 acres in area, or 88% of the district. Water covers 8%, non-productive area amounts to 4% and non-forested lands appear on less than 1%.

3. Of the total area of the White River district, 39% is Crown land, 10% is patented land comprising Algoma Central Railway lands, and 1% is patented land in small holdings. For the purpose of this report, Algoma Central Railway patented lands are treated as Crown lands.

4. The age class distribution for the productive forest lands shows 46% of the area mature, 39% immature and 15% young growth and reproducing forest.

5. The volume of the primary growing stock is nearly 6 billion cubic feet, 1,526 cubic feet per acre productive forest area. Of the total volume 56% is made up of conifers and 44% of hardwoods. Black spruce makes up 25% of the total volume on productive

(Continued on page 47)

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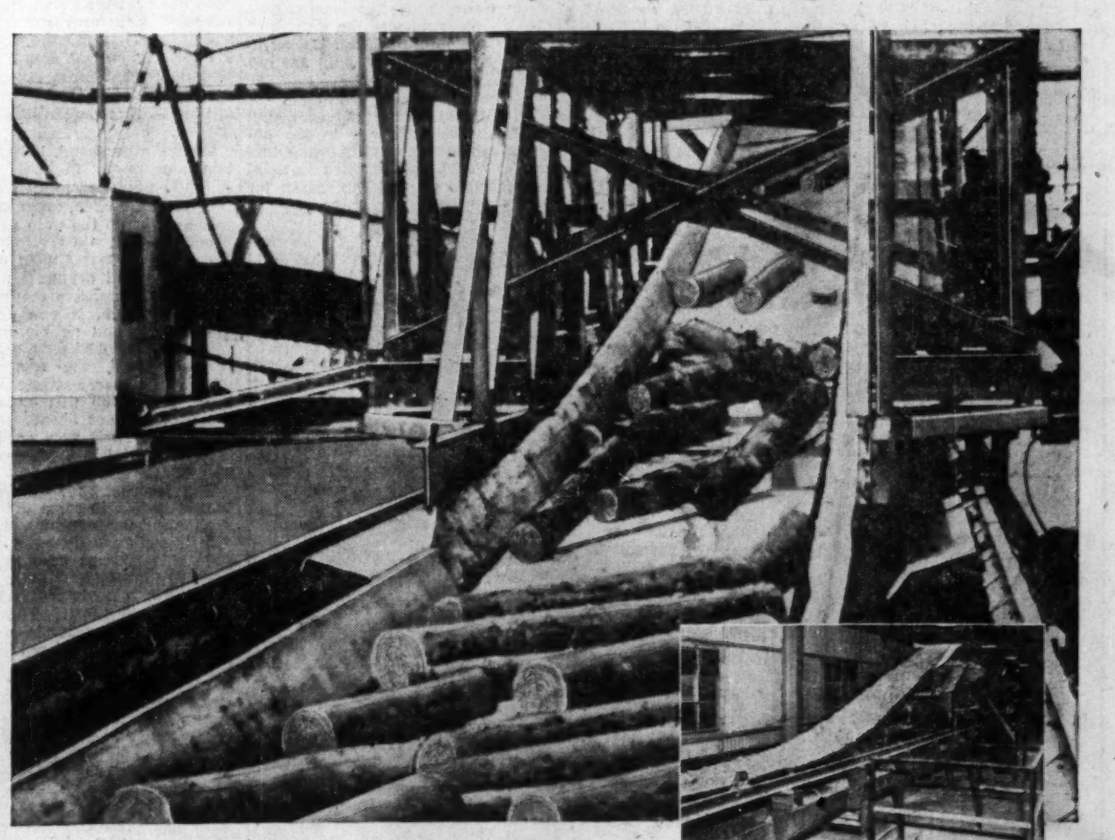

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Two of the many materials that must move efficiently in modern paper mills are pulpwood logs and chips. Versatile Link-Belt Belt Conveyors handle logs on heavy-duty flat belt idlers (above) and chips on troughed idlers (below).

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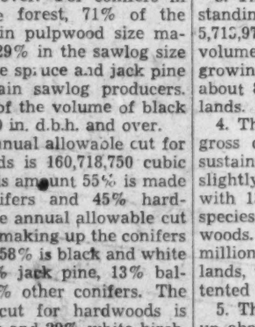

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'CUSTOM TAILORING'

Fine Paper Output Running 5.6% Ahead of '52

Demand Picks Up, Production Facilities Improved, Expanded

The highly specialized fine paper industry is the "custom-tailoring" branch of Canada's pulp and paper business.

Some 35 machines in 15 mills operated by nine companies produce over 500 varieties of fine papers in Canada. Production has increased sharply, paralleling the economic development of the country and the growth of population. It now runs at more than double prewar levels.

Production last year totaled 177,330 tons, down 12.7% from record-breaking 1951 mainly due to reduced buying from customers who had built their inventories up to levels which were higher than necessary.

Demand started firming late last year, however, and the improvement has continued to date in 1953. For the first seven months, the mills produced 113,347 tons, up 5.6% from the same period of 1952. If output continues to run at recent levels, total for the year should hit close to 1951's 203,170 tons.

Canada's fine paper producers have been steadily improving and expanding their production facilities to keep pace with the sharp growth of domestic demand.

Three of the more recent additions of the big Howard Smith Paper Mills Ltd. group have included a new 18,000-ton annual capacity paper machine at Cornwall, Ont., finished in late 1951; a new machine at Merriton, Ont., completed about a year ago; and a 25,000-ton expansion of its Cornwall soda pulp mill, completed last spring. This year, work on changes to the Crabtree Mills, Que. lightweight paper machine are continuing.

With three subsidiaries — Alliance Paper Mills Ltd., Canada Paper Co. and Don Valley Paper Co.—Howard Smith Paper is Canada's biggest fine paper producer.

Eddy Paper Co. expects to finish a large program for improvement and modernization of its sulphite and fine and specialty paper mills in 1953. With completion of the rebuilding of its No. 11 machine earlier this year, the company has now substantially rebuilt its three largest and potentially most efficient fine paper machines.

Provincial Paper Ltd., the Abitibi subsidiary, has upped its Thorold, Ont. capacity from 55 tons daily to 165 tons, through modernization and speed-up of two machines and the addition of a third.

Three other firms manufacturing in Canada fall into the fine paper classification. They are Rolland Paper Co., Montreal; Canada Glazed Papers Ltd., Toronto; and Garden City Paper Mills Ltd., St. Catharines.

Fraser Companies Ltd., one of the Maritimes' biggest pulp and paper makers, also turns out fine papers. However, these are produced at a Madawaska, Maine mill, just across the St. John River from Edmundston, New Brunswick. Facilities there have been expanded substantially since the war.

Canadian fine papers are generally divided into two basic types—book and magazine, writing and others — plus a coated paper type. Each type may be comprised of various categories and these, in turn, may have a number of different grades, depending on quality. The industry's operations, as a result, involve over 500 paper products.

Book and magazine paper account for about half the total output, while writing paper, including rag, bond, ledger, cheque mimeo and blueprint papers, account for about 40%. The balance includes specialized product: such as blotting, cup and filter papers and high quality paperboard.

About 12% of Canada's fine paper output usually goes to the three coating companies — Alliance Paper Mills, Canada Glazed Papers and Provincial Paper. "Coated" varieties include paper coated on one or both sides, and many miscellaneous items. Total output last year was 13,066 tons.

Fine paper in Canada is not a mass production business, for two reasons. On the one hand, tariffs hamper export sales (only 13,126 tons were shipped out last year). On the other, Canadian consumers require so many different grades; many grades and qualities are designed solely to suit the need of an individual customer.

As a result, frequent changes of finish, machine speeds and operating conditions are necessary.

However, Canadian fine paper mills have advantages. They are adjacent to the source of their raw materials and the mills without pulp manufacturing facilities are also relatively close to the large mills of the domestic pulp producing industry.

How would the Canadian fine paper industry fare if present tariff barriers were removed? There's some disagreement within the industry on that point.

The Canadian Pulp & Paper Association has said that Canadian mills, after a readjustment, "could assuredly compete" in the great U.S. market. But it also noted that "any such drastic change in the Canadian fine paper trade would have certain and perhaps violent repercussions.

"Altering the flow of fine paper from east and west to north and south could produce casualties among Canadian mills which are sometimes the sole support of substantial communities," it contended. "The merchandising of Canadian fine paper would, too, be greatly influenced by business conditions in the large American market and the fine paper mills would depend for their existence on the tariff policies of a nation noted, to put it gently, for rapid, capricious and volatile tariff action.

"Finally, the Canadian mills would be faced with the need for making tremendous capital expenditures to convert their output to the needs of the new market at the very moment when they would be struggling against entrenched competition in the U.S. market and against competition at home."

On the other hand, some industry officials see elimination of the tariffs as a great opportunity for expansion. It has been suggested that provided the move came fairly gradually, so that the mills could rearrange their productive facilities, the industry would certainly be able to hold its own with U.S. producers.

It has also been argued that not only could the forests of the continent provide a larger perpetual wood supply, if tariffs on forest products of all kinds were removed, but also that pulp and paper industries of both countries could attain greater productivity.

Chances of a tariff change, however, appear slim. It looks as if the Canadian fine paper industry will have to continue basing its growth on the domestic market.

The 500 grades of fine papers made in Canada range from cheap grades made partially from groundwood pulp to chemical and rag papers costing as much as $1,500 a ton.

Ontario's Look at Forest Resources

(Continued from page 46)

forest land, white birch 24%, poplar 20%, jack pine 13%, white spruce 9% and other species 9%.

6. In the mature age class on Crown lands 2.1 billion cubic feet are in the 4-9 in. size class and 1.6 billion cubic feet in the 10 in. and over size class. Black spruce has 80% of its mature volume in the pulpwood size class, jack pine is almost evenly divided between pulpwood and sawlog classes, hardwoods show a slight preponderance of sawlog material.

7. The annual allowable cut for the district is more than 101 million cubic feet, 97% of which is on Crown lands and only 3% on patented lands.

8. Of the allowable cut on Crown lands of 99 million cubic feet, 45% is coniferous species and 55% hardwood species. The allowable cut of conifers is made up of 53% spruce, 32% jack pine, 13% balsam fir and 2% other conifers. The hardwood allowable cut is made up of 57% poplar and 43% white birch.

9. A comparison of the allowable cut on Crown lands with the current actual utilization shows that only conifers were utilized. Spruce and balsam fir were well utilized, jack pine shows a large surplus of allowable cut over present utilization.

Sudbury

1. The total area of the Sudbury district is 4,573,093 acres or 7,145 square miles. The cover type distribution of 3,580,051 acres of productive forest land is 57% mixedwoods, 19% hardwoods, 16% coniferous and 8% reproducing forest. By age classes this area is 22% reproducing forest and young growth, 56% immature forest and 22% mature forest area.

2. Privately owned lands comprise 586,386 acres or 13% of the district. Developed agricultural lands occupy 102,746 acres or 18% of the patented land area.

3. The district lies within the mining zone of the province, and this industry has formed the major industrial and commercial enterprise of the area.

4. The southern part of the Sudbury district originally contained some fine red and white pine stands mixed with maple and yellow birch. Many of the original pine areas, as a consequence of logging and fires, are now covered with stands of poplar and white birch. In the north, spruce, jack pine and balsam fir are important components of the stands.

5. The total timber resources of the Sudbury district are nearly 4.5 billion cubic feet, 4.2 billion cubic feet on Crown lands and 380 million cubic feet on patented lands. Fifty-one per cent of the primary growing stock is made up of conifers and 49% hardwoods. There are 2.5 billion cubic feet in the pulpwood and cordwood size class and 2 billion cubic feet in the sawlog class.

6. The annual allowable cut on Crown lands is 58.1 million cubic feet, 31.7 million cubic feet for conifers and 26.4 million cubic feet for hardwoods, before any deductions are made for losses or inoperability.

7. The annual allowable cut on patented lands is 8.8 million cubic feet, 31% is conifers and 69% is hardwoods.

8. A comparison of the annual allowable cut with the actual utilization of timber on Crown lands shows a 20% overcut in jack pine, and an undercut in all other species utilized on Crown lands. The cut of conifers was 77% of their allowable cut, whereas only 13% of the allowable cut for hardwoods was actually utilized.

Isotope Goes To Work For Pulp, Paper

Canada's pulp and paper industry has received a boost from atomic energy which is revolutionizing production methods in the industry.

Through the inventiveness of Isotope Products Ltd., of Oakville, Ont., isotopes made radioactive by atomic energy are cutting production costs and bringing higher quality paper to the customer.

The actual gadgets, which use the radioactive isotopes are the betameter and profile recorder. Although they've only been introduced to the pulp and paper industry less than one-and-a-half years ago, already there are 30-35 betameters and four profilers being used by the industry in Canada.

Briefly the profiler gives a continuous pen recorded measurement of variations across the width of the paper roll as it's produced.

IP technicians have found remarkable variations in the width of the paper sheets of as much as 10%; two spots as little as seven inches apart can vary more than 5%.

As even 5% of the output of a big newsprint mill may amount to 50 tons of paper a day (worth $6,300) the leveling out of these variations can bring about a tremendous saving.

Previous work in the field has been done entirely by infrequent sampling and weighing. On this evidence paper machines have in the past run for many hours producing overweight paper before the samples are all weighed and the production machinery adjusted.

Automatic Control

The betameter and the betamatic version record the variations in paper weight along the length of the roll—the betamatic automatically adjusting the paper production mechanisms to eliminate the variations as they occur.

For the paper industry these instruments take over from human judgment as the automatic pilot does in flying.

This has meant that for the first time anywhere, control of the quality of production has become possible—giving the user a distinct competitive advantage.

Papers may be coated with anything: ink, gum or tar. Equipment similar in principle can be used to measure the thickness of coatings as well as paper.

Applications of these instruments and the instruments themselves are now in use on paper all over North America from fine cigarette to coarse box papers, saving material wastage and ensuring the production of a high quality product.

Anglo-Canadian Paper Co. in Newfoundland, Provincial Paper Co. in Georgetown, Ontario, and others are now being engaged in surveys on the variation of paper as it's being produced to bring about higher quality production.

Recent betameter installations include a roofing paper machine at Brampton, an automatic control installation at Cornwall and an installation on the wet end of a paper machine at Bathurst, New Brunswick.

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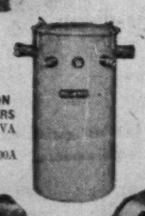

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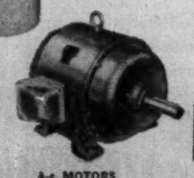

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Canada's forests are one of her most valuable assets. Last year the pulp and paper industry alone accounted for well over $1,000,000,000 of Canada's national wealth — amounting to over $350 for every family in the Dominion. This is more than double the 1946 operation.

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Dofasco

Wherever the compass points—wherever progress is in evidence, Dofasco Steel Products are helping to build a greater Canada.

How One Firm Streamlines The Log Drive

The spring log drive, as the cheapest and most efficient method of moving the winter cut of pulpwood to the mills in many areas, remains a picturesque and important part of the Canadian scene. Today, the basis is the same, but modern science has moved in to give the log drive proportions of a modern military operation. Here's how one Ontario company goes to work as the ice disappears in the spring:

In northwestern Ontario, Minnesota & Ontario Paper Co.'s Canadian division, Ontario-Minnesota Pulp & Paper Co., carries on one of the largest pulpwood river drives in the province.

According to George B. Amidon, Mando's director of forest management, nearly 50,000 cords of pulpwood will come down the Seine, Little Turtle and Manitou rivers in the spring.

Experienced woodsmen, working a period of about 90 days, depending upon wind and weather, are needed to get the logs to O-M's newsprint and specialty paper mill at Fort Frances.

Today's river drives use a multitude of heavy and complex machinery. The major type of equipment used is the winchboat and the alligator. These mechanical monsters, weighing as much as 14 tons, tow the logs across the lakes and bays where they can be concentrated in large 5,000-cord booms for the big tow by diesel-powered tugs to the mills. Equipped with cables the alligator is as much at home on land as on water.

Modern Equipment

As modern as tomorrow, the logging driver employs the airplane and the radio, Mando's FM radio system that reaches every corner of its logging areas is used by the drive crews to report emergencies as well as routine matters.

The airplane is the "eye" of the drive and the radio is the "voice." Circling overhead, the airplane's pilot is quick to spot a log jam. He reports the jam to the nearest camp and a crew is dispatched at once to break it up.

Resembling a military operation, the scattered drive crews are kept in constant contact via the radio. If supplies run short, a call on the radio brings the airplane carrying the needed goods. An injured woodsman can be flown to a modern hospital in a part of an hour.

The biggest drive is the Little Turtle. Starting at Turtle Lake in the Seine concession, 90 miles east of Fort Frances and ending in Rainy Lake, the eight-foot pulpwood logs travel across five lakes, down a river, over nine dams and through 13 rapids.

In 1953 approximately 30,000 cords of pulpwood were driven down this route.

The wood is sorted by species at the mouth of the Turtle River and then towed 60 miles across Rainy Lake to Fort Frances.

The Seine River drive, featuring both pulpwood and sawlogs, travels seven lakes, over two power dams and through the new diversion around Steep Rock Lake. This drive accounts for about 13,000 cords of pulpwood.

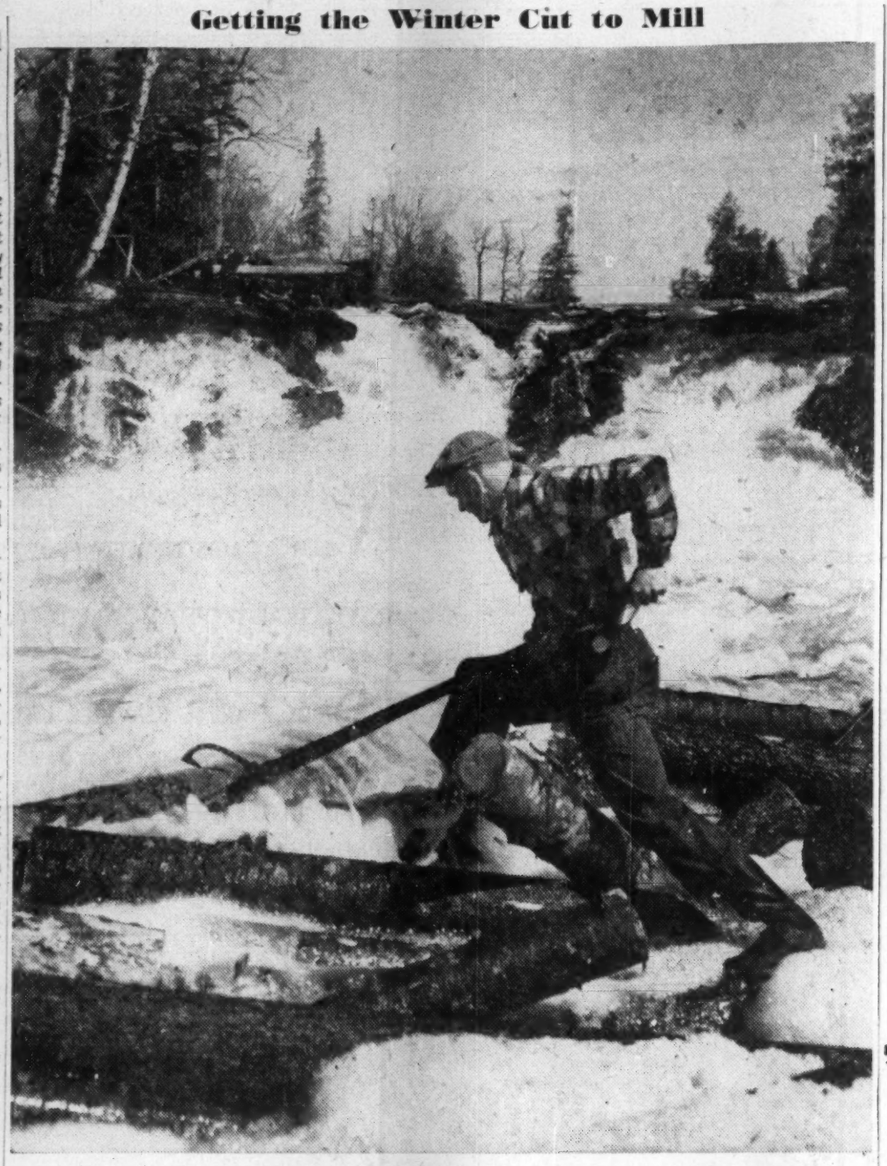
Tug Operation

The third drive, the Manitou, is more of a towing proposition. The crew of six men will tow roughly 6,000 cords of pulpwood and 63,000 board feet of jackpine logs 25 miles across Manitou Lake and down the 14-mile Manitou River to Rainy Lake. A tug tows the logs across Rainy to Fort Frances.

The Manitou limits were put into operation last winter for the first time, and this year marks a new source of pulpwood for the Fort Frances mill.

Besides these river drives, Mando tows thousands of cords of wood across Lake of the Woods each year to its newsprint mill at Kenora, Ont.

Getting the Winter Cut to Mill



Many a Canadian woodsman is as skilled afloat as he is in the bush as the picturesque annual spring log drive still plays an important role in many areas in getting the winter cut to mill. Today modern equipment, modern methods make the log drives look like full-scale military operations.

NATIONAL LUMBER COMPANY LIMITED

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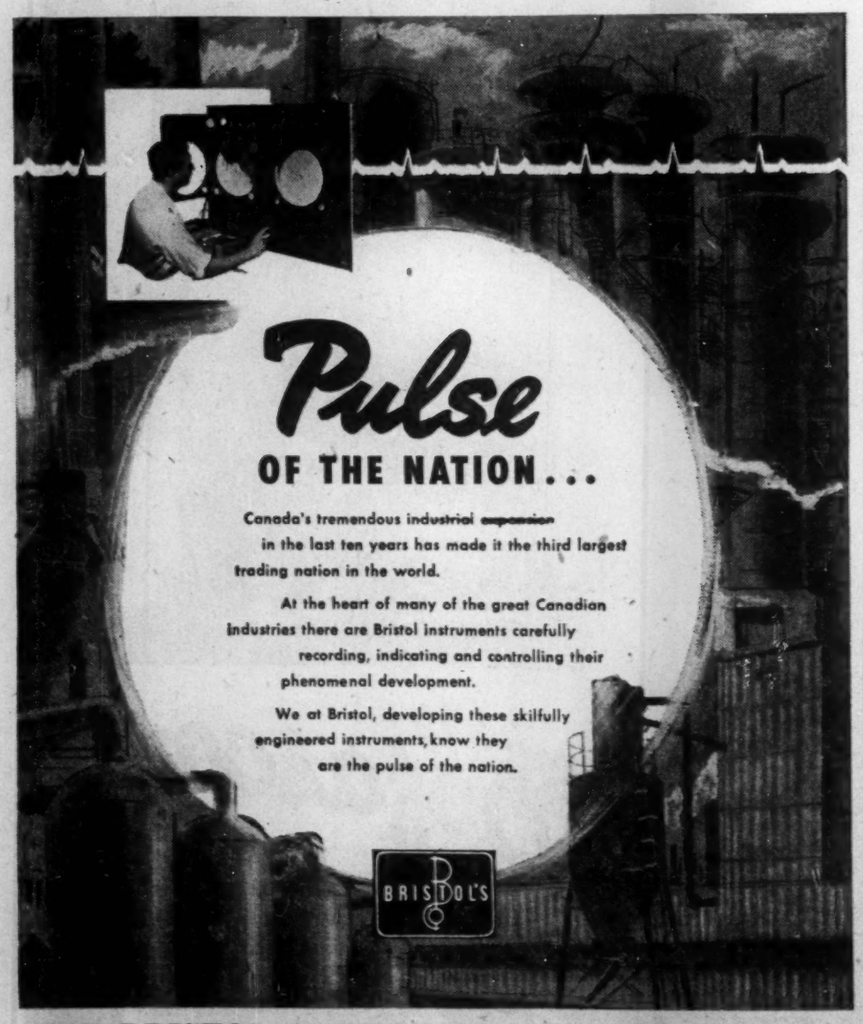

THE BRISTOL COMPANY OF CANADA LIMITED

Makers of Precision Instruments in Canada for over 20 years

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Wood Products

OAKVILLE WOOD SPECIALTIES LTD., Oakville, Ont., net profit of $60,476 for 1952 was 45.7% less than 1951 net of $111,365.

Lower profits are attributable to greater competition in basket sales, higher wage rates prevailing in the Oakville area, unseasonable weather conditions for sales of certain types of baskets, and competition of new materials for container manufacture, reports President S. J. Zacks.

Two new subsidiaries were acquired during 1951 and 1952 out of working capital; these are Forest Basket Co. and Northern Veneer & Plywood Co.

Net additions to fixed assets in 1952 were $24,469. Redemption of bonds and preference dividends required $20,889.

Dominion Plywood, a wholly owned subsidiary, is showing great progress, says the president, with the expansion of the television market and improvements in the furniture business.

Value of 40 acres of company's land facing the Queen Elizabeth Way has increased with the entrance of Ford of Canada into the Oakville area, says Mr. Zacks. T. Eaton Co. has purchased a large site directly opposite company's property.

"The outlook for business is good," says the president, "and it is hoped that improved operations will soon result in better profits."

CONS. INCOME ACCOUNT		
Years Ended Dec. 31:	1952	1951
Net earnings	$231,975	a$307,449
Less: Deprec.	69,845	66,179
Bond int.	29,741	30,745
Inc. taxes	74,942	108,214
Add: Profit re asset & invest. sale	3,029	9,052
Net profit	60,476	111,365
Less: Pref. divds.	12,888	13,563
Surplus for year	47,588	97,802
Earnings per Share and Dividend Record:		
Pref.: Earned	$28.15	$51.85
Paid	6.00	6.00
Com.: Earned	0.48	0.98
None paid.		
aBased on shares o/s at year end.		
bIncludes Forest Basket Co. profits subsequent to Aug. 1, 1951.		
Times Bond Interest Earned:		
Before deprec.	7.80	10.00
After deprec.	5.45	7.53

CONDENSED CONS. BALANCE SHEET		
As at Dec. 31	1952	1951
Cash & Dom. bds.	$6,145	$100,763
Accts., etc., rec., less res.	285,959	262,028
C.s.v.—life ins.	9,510	8,150
Inventories	645,205	467,272
Total curr. assets	946,819	838,213
Misc. assets	1,450	1,450
Def. chgs.‡	4,059	3,255
Investments	180,007	.....
Fixed assets*	1,194,263	1,256,348
Patents	1,540	1,923
Total assets	2,328,138	2,101,191
Bank overdraft	520,300	244,651
Notes pay.	.....	75,000
Accts., etc., pay.	111,907	111,874
Total curr. liabs.	632,207	431,525
Funded debt	547,500	555,500
Capital stock	584,461	584,461
Capital surplus	312,112	328,646
Earned surplus	251,858	201,259
*After depr. of	507,448	426,641
‡Incl in curr. assets in co. report.		
Working capital	314,612	406,688

Note—Guarantee of Bank indebtedness of Northern Veneer and Plywood Co. Ltd., $125,000.

U. S. $ Value in Canada

Week Ended — Sept. 4, 1953
Daily at Noon as Reported by The Bank of Canada

Mon.	.98-23/32	Thurs.	.98- 7/32
Tues.	.98-23/32	Fri.	.98- 6/32
Wed.	.98-27/32	Ave.	.98-86/160

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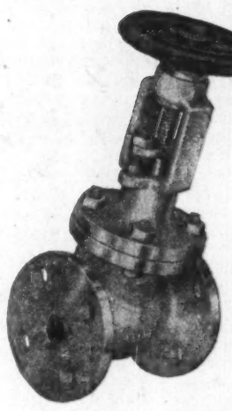

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WELLAND, ONTARIO

If Your Bonfire Spreads You May Be Held Liable

If fire spreads from your property to your neighbor's, can you be held liable for any resulting damage?

A recent Ontario Appeal Court judgment indicates that you may, if negligence on your part can be proved.

Here's what happened in the case concerned. Mr. L. had a "burning pit" in which he was accustomed to burn bark. A fire originating in the pit was allegedly spread by the wind to Neighbor C.'s land, worked through his premises and damaged his buildings. C. sued for damages but the trial judge dismissed the action and C. appealed.

The Appeal Court spokesman said the evidence showed that L. was accustomed to burn bark in the pit; fire was seen there several days before the mishap; combustible material—cedar bark—lay in considerable quantities on his land, as well as cedar posts; the weather was dry and wind blowing toward C.'s buildings, on the day of the fire carrying sparks in that direction; fire was burning along the ground as well as in the piles of posts; there was a lack of water on the defendant's premises and the fire appeared to start on the roof of the plaintiff's house from sparks carried by the wind.

There was also evidence that two men, presumably employees of L., the defendant, were present at the time of the fire but no evidence that they did anything to prevent its spread.

The court believed these circumstances, if not showing actual negligence on L.'s part raised an inference of want of care and threw on him the onus of acquitting himself of responsibility; "in other words, the plaintiffs having a prima facie case of want of care, the burden was cast upon the defendant L. for an explanation."

No explanation had been furnished by L. and the court believed he must be held to have shown want of care in the circumstances established by the evidence and must therefore be held liable for the damage caused by the fire.

The Appeal Court accordingly set aside the judgment of the trial court and decided that C. the plaintiff must be allowed damages and costs.

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Let us assist you in your requirements.

CISC

HAMILTON BRIDGE COMPANY LIMITED
HAMILTON ONTARIO

INVESTMENT VIEW

Here's Pulp, Paper Stocks' Outlook

Results For Eight Companies, 1952 and First Half 1953

	Net profit for all 1952 $	Net profit 1st half 1952 $	Net profit 1st half 1953 $	1st half net 1953 to all 1952 %	1st half net 1953 change from '52 half %	Class of Stock	All 1952 $	First Half 1952 $	Half Half 1953 $	Twice 1953 Half $	Recent Price per Share $	Recent Price Times Earnings All 1952	Recent Price Times Earnings Prospective 1953
Abitibi P & P	9,097,759	4,404,055	4,763,220	52.35	+8.16	Common	2.02	0.97	1.06	2.12	14¾	7.30	6.96
Bathurst P & P	1,825,895	1,028,383	788,637	43.19	—23.32	Class A	4.56*	2.57*	1.87*	3.74	40	8.77	10.70
Consolidated Paper	10,337,981	5,417,077	5,257,239	50.85	—2.96	Common	4.03	2.14	2.05	4.10	38½	9.55	9.39
Donohue Bros.	585,394	296,533	377,718	64.52	+27.38	Common	1.95	0.99	1.26	2.52	15	7.69	5.95
Fraser Cos.	3,455,575	2,478,626	1,334,488	38.62	—46.16	Common	1.52	1.09	0.58	1.16	14½	9.54	12.50
Great Lakes Paper	2,656,377	1,429,077	1,254,406	47.22	—12.22	Common	1.98	1.07	0.92	1.84	18½	9.34	10.05
Powell River Co. ..	7,942,393	4,245,914	4,438,328	55.88	+4.53	Common	1.89	0.87	1.06	2.12	24½	12.96	11.56
St. Lawrence Corp.	6,210,511	3,112,958	2,335,283	37.60	—24.99	Common	5.63	2.81	2.12	4.24	32½	5.77	7.67

* Before participation.

Newsprint Steadying Factor In Better 1st Half for Some

At first glance, first half earnings figures of the pulp and paper companies have been consistent this year only in their lack of similarity.

Several companies showed a good improvement over the 1952 first half. Some showed sharp drops.

There are a good many factors involved in the showings of any company. Products differ, plants vary, and none can be compared with complete accuracy one with the other.

The one real similarity this year, however, based on the results that have been issued, is the good showing of the companies whose output consists mainly of one important product — newsprint.

That doesn't mean that newsprint is the only product worth producing now. One of the strengths of the Canadian industry now is its greater diversification.

Market pulp, for instance, has been a very profitable product for the producers since the war. But the demand for pulp is more volatile than it is for newsprint, and its price is sensitive to changes in demand.

When demand for pulp fell off late in 1948 and again last year, prices dropped sharply, and earnings fell with them.

When demand was strong, however, earnings of the pulp and paper manufacturers were greatly enhanced.

And while pulp capacity on this continent has been increased perhaps beyond immediate needs, the world demand trend seems definitely on the increase. Just about the last big forest resources of the free world are here, and Canadian pulp producers stand to gain as pulp demand grows.

The industry has also developed important volume in the domestic market in such things as fine papers, paperboard, wrapping paper and such items. Exports have not been large in these categories, mainly because of tariff and exchange considerations.

This year, however, it has been the newsprint producers who have made the best showing. This can be illustrated by a comparison of the showings of the eight companies included in a table of 1952 and 1953 earnings accompanying this page:

	Newsprint as percentage of total capacity %	Twice '53 first half earnings as percentage of full '52 earnings per share %
Donohue	89	129.2
Powell River	88	112.2
Abitibi	83	105.0
Consolidated	84	101.7
Great Lakes	71	92.9
Bathurst	nil	82.0
Fraser Cos.	nil	76.3
St. Lawrence	59	75.3

Of course, you can't just multiply first half results and expect to get an accurate estimate of what earnings will be for the full year 1953.

On the other hand, the figures do indicate that those companies whose main output is newsprint stand a better good chance of at least holding their own, and in some instances bettering, their 1952 results.

What's the reason for this?

Conditions in the pulp market are a big factor. With pulp prices down and demand off, production of pulp not required for manufacture by the companies into paper, board and other products has been cut back.

Demand for paperboard, wrapping paper and some of the other products made by the companies was down, although in recent months business has picked up and results for the rest of the year should be better.

What accounts for the variation among the newsprint companies?

A big reason is that while most producers have some unbleached sulphite left over after their own requirements for making newsprint are met, there is quite a difference in the degree of their dependence on this surplus pulp as a source of revenue.

Great Lakes, for instance, can make 60,000 tons of unbleached sulphite a year in addition to the sulphite used in making its newsprint. Abitibi can make about 100,000 tons surplus sulphite. But the Abitibi sulphite tonnage represents only 11% of total capacity while the Great Lakes tonnage is 29% of capacity.

Another factor in the comparison of the newsprint and non-newsprint companies is the foreign exchange picture. Most non-newsprint producers sell mainly in the domestic market. When the pulp markets are good, they often have surplus pulp that goes to foreign buyers, but essentially they concentrate on sales in Canada.

Newsprint, on the other hand, is primarily an export proposition. Thus the swing in the exchange rate that has reduced the premium on the Canadian dollar has improved the revenues of the newsprint makers more than it has the others.

The firms that make pulp only are also interested almost entirely in export but there are very few of these.

Then there's the factor of price. Newsprint prices were raised $10 a ton in mid-1952. Prices of a wide range of other pulp and paper items have been lower or have stayed about the same.

Thus, in comparing the 1953 first half with the same 1952 period, the newsprint makers have had the advantage of:

(1) A higher price
(2) Increased production
(3) Better exchange picture.

In the second half, (2) and (3) should still hold good. But for most producers, the price they will get for their newsprint the rest of this year will be the same as they got right through the second half last year.

Second half comparisons for most other industry products should be more favorable than those for the first half.

At the beginning of 1952, for instance, pulp was still in great demand and prices were high. All through the 1953 half prices were depressed.

By the second half of 1952, pulp prices had begun to slide, and for the last six months, they were not a great deal higher than they are now. Demand is about the same, in some cases ahead of the last half of 1952.

Seasonal Pattern

Another factor that should be taken into account is the return in some branches of the industry to a more seasonal pattern of business.

Bathurst is an example here. Earnings for the first quarter this year were materially affected by the low seasonal demand for boxboard and shipping containers. But demand revived in April and earnings improved markedly.

First quarter net was only $277,437 against $635,460 for the comparable 1952 quarter. But second quarter net was better than a year ago at $511,200 ($392,923), and third quarter operations are being maintained on a basis comparable with the second quarter.

Thus while earnings in any one quarter may be quite different from those of the previous year, it does not necessarily mean that the whole year's results will follow along that pattern. After so many years of constant demand, in which the seasonal factor was relatively insignificant and earnings remained at a fairly constant level through the year, investors will have to examine more closely company results to assess just how big a part seasonal swings have played in the picture.

Lower tax rates are having a favorable effect on industry earnings. The drops have been lessened, and the gains improved, by lower demand from the tax department.

Cost Trend Up

Operating costs don't show too much sign of improvement. Company officials say the trend is still largely up. Some hopes have been expressed that wood costs may come down a bit, but it's still pretty much in the "hope" category.

Perhaps the significant thing that seems to be happening, investmentwise, so far as the pulp and paper industry is concerned, is the changing investor attitude toward the "papers".

Eighteen pulp and paper companies included in a 1952 study of the results of 301 Canadian companies showed net profits 26.4% lower than in 1951, and this year they have been running on both sides of the 1952 level. But the Montreal Stock Exchange index of pulp and paper stocks at the end of 1952 was just 20% below the 1951 peak, and investors are currently valuing industry prospects as favorably as they did then.

The "papers" have been among the steadiest performers in the whole market list this year.

Why?

The companies have got themselves in good financial shape. Last year, even though earnings were down, net worth of the eighteen companies included in the Financial Post survey were up 5.9%, reflecting the steady program of debt reduction and plow-back of earnings.

Newsprint particularly has proved a reliable performer, and while capacity has been expanded to meet increases in demand, the growth has not been such as to leave idle capacity lying around. The producers have done an effective job of providing capacity to meet normal demand in other lines as well, while still leaving themselves sufficient margin to handle reasonable increases.

The earnings retained by the companies have been put to good use to modernize facilities as well as expand them where necessary. This has put the industry in a better competitive position in world markets.

The producers are putting increasing emphasis on research, jointly and individually. The research covers all phases of their operations, provides a sound basis for further growth.

MONTREAL STOCK EXCHANGE PRICE INDEX FOR TEN PULP AND PAPER STOCKS

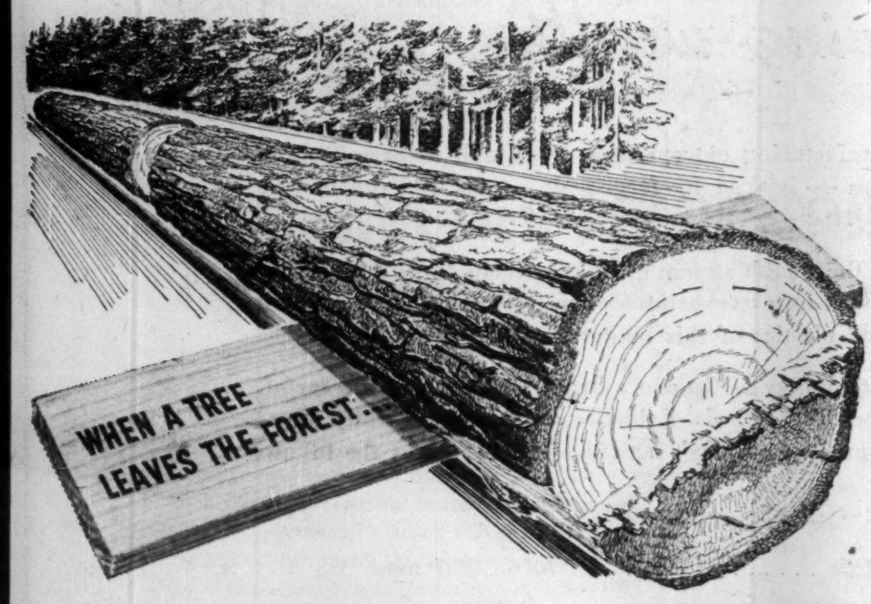
	Sept. 3 1953	1953 to Sept. 3	1952	1951	1950	1949	1948
High	*713.15	725.61	810.05	889.49	655.09	382.15	384.80
Low		639.76	647.66	647.66	355.89	251.34	290.26

* Close.

Pulp and Paper Securities' Trends

	to Sept. 3 1953 H.	L.	1952 H.	L.	1951 H.	L.	1950 H.	L.	1949 H.	L.	1948 H.	L.
	$		$		$		$		$		$	
Abitibi	15⅛	12¼	18⅜	12⅜	22¼	14	15⅛	7	7⅞	3¼	6¾	4⅛
Bathurst A	45	35¾	54	40	55	40	42½	24⅝	26¼	17½	22½	17
Cons Paper	39¼	34⅛	38¼	31½	43½	32¼	34	17⅞	20⅝	13½	21¾	14¾
Eddy A	23½	21	25¼	20¼	26	19½	20	15¼	17½	13½	20	15⅞
Fraser Cos.	18	13½	18¼	13	21⅛	12¾	13⅜	8⅛	10⅜	7	9¾	7
Howard Smith	20	13⅛	24¼	17	29¼	16¾	17¾	8¾	9¼	6⅜	13⅜	5
Inter. Paper	55½	47½	53½	41½	60½	47	64	37¼	40⅞	21¾	35⅜	23
Minn. & Ont.	27½	24	28⅛	22	34¾	25⅞	26½	17½	22¼	12¼	23	20
Powell River	25¾	20	29½	20¾	30	20½	21½	14	15	11	15¾	12⅜
Price Bros.	34	27¼	33¾	26⅛	36⅞	27½	29¼	16	16¾	11⅜	17	13⅝

Note: Quotations adjusted for stock splits.



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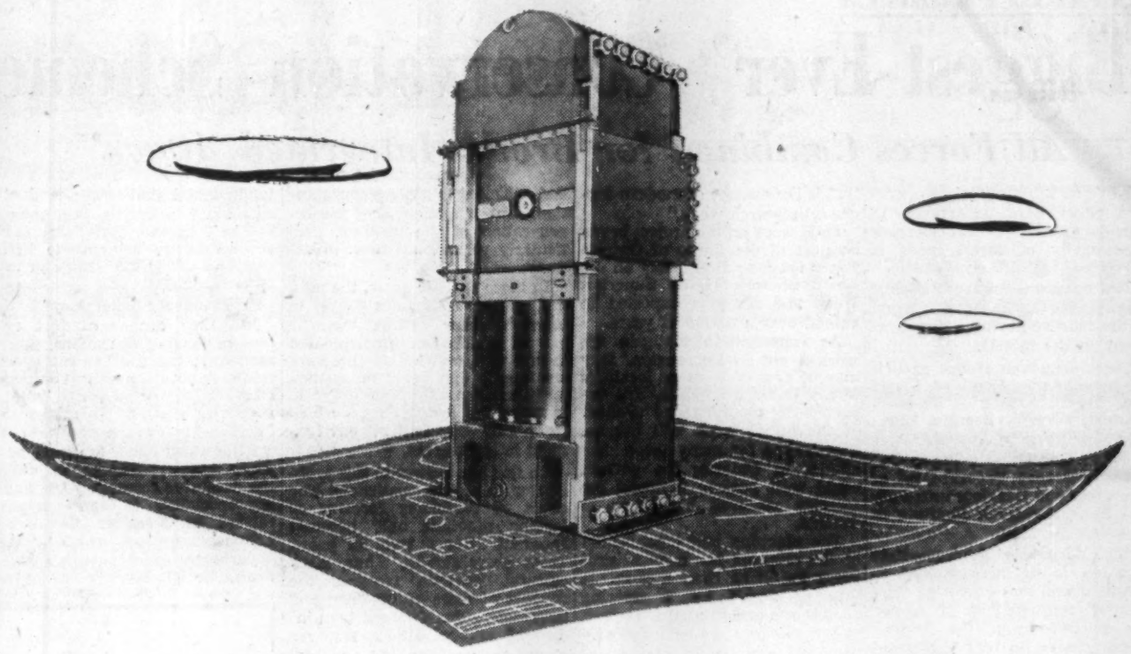

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Most process machinery is special. Much of it is heavy. Sometimes slight alterations are necessary to meet individual requirements. Cost of importation and transport are high. Capital cost is often higher too than building at home.

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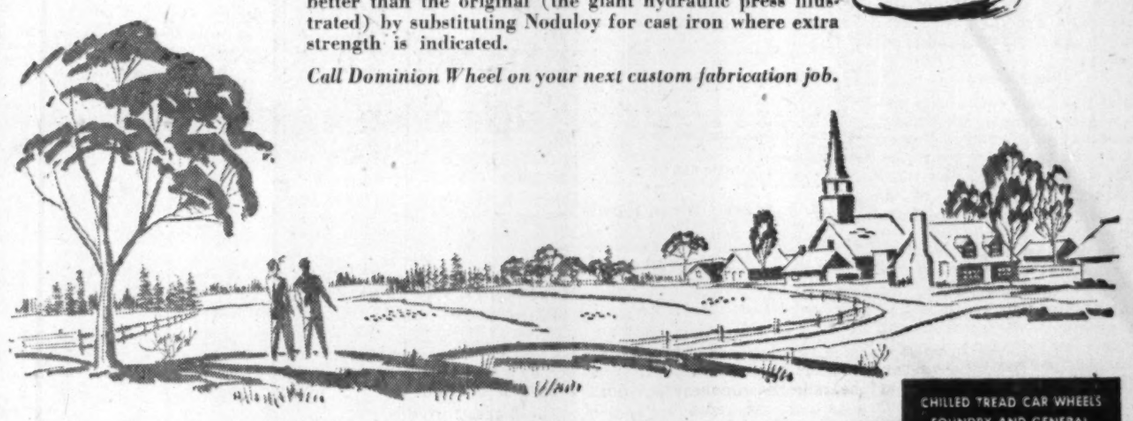

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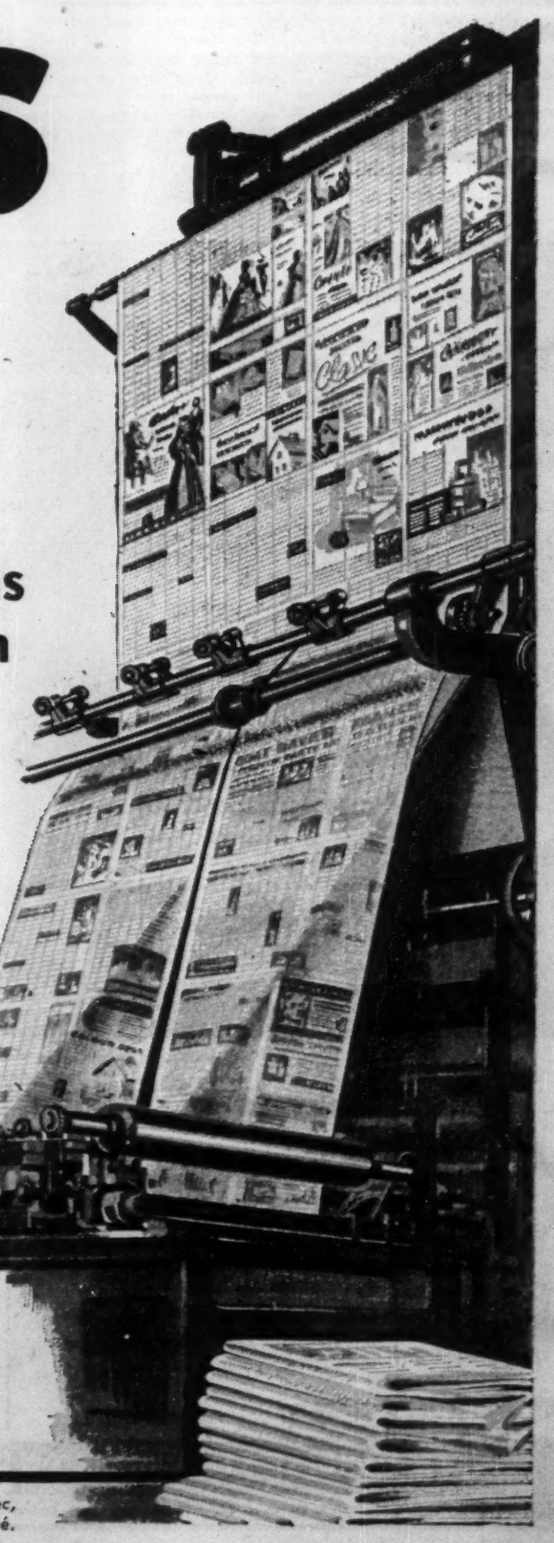
NEWS of the world

is brought to millions on paper made from Québec Forests

Nearly one out of every four newspapers in the world is printed on newsprint produced in La Province de Québec.

55 major pulp and paper plants had a production in 1952 of over $540 millions, including newsprint valued at $307 millions, paid over $90 millions in wages to more than 24,000 employees.

The Government of La Province de Québec is doing everything in its power to provide the conditions necessary for the continued successful operation of this most important industry.



LA PROVINCE DE Québec

For information on industrial opportunities in La Province de Québec, write, Provincial Publicity Bureau, Parliament Buildings, Québec City, Qué.

ONTARIO PROGRAM

'Biggest-Ever' Conservation Scheme

All Forces Combined for Broad 'Integrated Attack'

Work on the broadest co-operative effort ever undertaken in Canada to conserve and increase productivity of forest lands is under way in Northern Ontario.

The program, inaugurated last May, brings together every group in the country having a direct interest in the forests.

There are seven groups participating: Ontario Dept. of Lands and Forests; Ontario Research Council; Forestry Faculty, University of Toronto; Abitibi Power & Paper Co.; Ontario Paper Co.; Forestry Branch, Federal Dept. of Resources and Development; Pulp and Paper Research Institute of Canada.

"The purpose of the immediate program is to increase and to create conditions favoring the natural reproduction of spruce for pulpwood on the mixed-wood slopes to the Lakehead region where in some instances the valuable softwoods have failed to re-establish themselves," says Premier Frost of Ontario.

"Initiated by the woodlands departments of the two paper companies," he said, "the project brings together for the first time for an integrated attack on a major forest problem the limit holders and the extensive research and personnel resources of the two agencies of the Ontario Government, the University of Toronto, of the Federal Government services and of the pulp and paper industry.

Share Costs

Half the direct cost of the project is being borne by the Ontario Research Council and the other half by the two paper companies. "The contribution of the other participants will consist of the provision of services, facilities, and material.

"The problem of improving the regeneration of spruce in the Lakehead region is complex," Mr. Frost pointed out, in launching the program. "Its solution calls for the use of many scientific talents, more than can be found within a single agency. Experts in soils, in meteorology, in botany and plant ecology, in forestry and in logging engineering will be needed. They will work side by side with the company loggers, seeking a practical solution to the problem."

As work proceeds, other pulp and paper companies operating limits in the Lakehead area will be given an opportunity to participate in the program. Responsibility for the complete planning and carrying out of the work has been delegated by all the agencies involved to a steering group representing all the co-operating agencies.

The Province is giving its full support to the project because "it represents the sort of teamwork that is the essence of modern successful research work."

Field work on the project began on part of the limits of Ontario Paper Co. near Heron Bay on the North Shore of Lake Superior. Work and study is expected to extend over a period of years.

As conservation methods are worked out in this region, they may be applied in other localities in the Lakehead region. It's expected the planning and conduct of the initial work will become a prototype for many more such studies in Ontario; the pattern could well become a model for forestry research elsewhere in Canada.

The planning and organization of the program has been in progress for more than a year. It was developed by a steering group organized at the request of the participating companies by the Pulp and Paper Institute of Canada. This group will continue to provide the broad direction for the project. Its members are as follows:

R. N. Johnston, Chief, Division of Research, Ontario Department of Lands & Forests, Toronto.

Dean J. W. B. Sisam, Faculty of Forestry, University of Toronto and Chairman, Advisory Committee on Forestry of the Research Council of Ontario, Toronto.

Gordon Godwin, Asst. General Woodlands Manager, Ontario Papar Co., Thorold.

J. B. Matthews, Chief Forester, Abitibi Power & Paper Co., Toronto.

W. A. E. Pepler, Manager, Woodlands Section, Canadian Pulp and Paper Association, Montreal.

Alexander Koroleff, Director of Woodlands Research, Pulp & Paper Research Institute of Canada, Montreal, Que.

J. D. B. Harrison (Vice-Chairman), Chief, Research Division, Forestry Branch, Federal Department of Resources & Development, Ottawa.

Dr. Lincoln R. Thiesmeyer (Chairman), President, Pulp & Paper Research Institute of Canada, Montreal, Que.

Alternate members for the foregoing are as follows:

A. P. Leslie, Assistant Chief, Div. of Research, Ontario Dept. of Lands & Forests, Maple.

Dr. J. O. Wilhelm, Director, Research Council of Ontario, Toronto.

A. Bickerstaff, Chief Silvicultural Research, Forestry Branch, Dept. of Resources & Development, Ottawa.

A. R. McKenzie, Abitibi Power & Paper Co., Ltd., Sault Ste. Marie.

Bruce Thomson, Forester, The Ontario Paper Co., Ltd., Heron Bay.

The master plan of the scientific investigations was worked out by a committee of specialists designated by the various agencies. The plan was implemented in the field by teams from the several organizations under the over-all guidance of an advisory group whose membership includes the alternates of the steering group and Professor R. C. Hosie of the Faculty of Forestry of the University of Toronto.

Responsibility for scheduling the work and its development in detail has been delegated to the project supervisor R. S. B. Miller, forester of Ontario Paper Co.

Perpetual Yield Policy

The forest policy of the pulp and paper industry is perpetual yield. Over most of the limits, the annual growth exceeds the cut. Indeed throughout Canada, forest growth is generally prolific and sufficient to replace consumption. But in some places the regeneration of the conifers, particularly spruce, has been inadequate.

In these specific areas, the pulp and paper companies wish to learn whether cutting methods can be modified or supplemented in any way, or whether there are treatments that could be applied in woods operations in order to improve the lot of the spruce in its highly competitive environment in these areas.

To find the answer to this problem will require patience. The effect of particular forestry or logging practices only becomes apparent after a term of years. Trees grow slowly. Thus, silvicultural research requires the support of more enlightened and imaginative management than industrial or agricultural research where results are often apparent in a year or two.

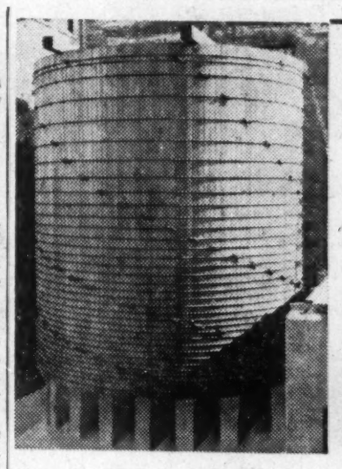
The new project is of special significance because it marks the beginning of a new phase in industry and government co-operation. The governments, both provincial and federal, maintain research organizations and operate experimental plots and nurseries where small-scale and fundamental studies are conducted. Their scientists are among the best in the world and they are constantly bringing to light new and useful knowledge of the magic nature works.

Practical "Laboratory"

But they cannot conduct extensive logging operations. Consequently, the government agencies have not the practical outdoor laboratories or forest "pilot plants" in which commercial-scale experiments can be carried out. On the other hand, the pulp and paper industry cannot maintain the extensive research staffs having specialists in every sphere related to forestry. Thus the Lakehead project provides the government agencies with a practical-scale laboratory, and gives the industry, in meeting one specific problem, the services of a range of scientific talent and skills that it could not otherwise command.

And these talents are being applied right on the industry's operating sites on a problem of direct and practical importance rather than a variety of distant stations where conditions may all differ.

In recent years there has been much discussion about the desirability of co-operative, concerted forest conservation effort on the part of the provincial and Dominion departments and the pulp and paper industry. Ontario's action on the Lakehead program, for the first time, takes the matter out of the discussion and "agreement-in-principle" stage, and translates it into specific, useful and significant action that may well set the pattern for, and lead to real progress in the future in the conservation of our national resources.



ACID STORAGE TANKS
BLOW PITS
50 YEARS ENGINEERING EXPERIENCE
VENT STACKS
FORESTRY OBSERVATION TOWERS AND CABINS
LONG LEAF YELLOW PINE
B. C. FIR RED CYPRESS
50 YEARS ENGINEERING EXPERIENCE
H.E. MOTT COMPANY LIMITED
BRANTFORD • ONTARIO

Paper Unions Expected To Settle Soon

With Ontario pulp workers apparently headed toward settlement this week and Quebec unions already signed up, there's little indication of labor trouble in the industry this year.

Negotiations have gone into the third week between the 19 Ontario companies and the AFL bushworkers' union, representing some 25,000 men, with wage considerations the most important issue. Settlement between the two parties is looked for at an early date. Length of negotiations is not considered unusual in that similar talks in past years have gone on for three weeks.

The dispute between the 12,000 mill workers, represented by nine separate AFL-TLC unions, and 12 Ontario companies has gone to conciliation. One meeting has been held with a government conciliator and a hearing before a conciliation board was slated for this week.

Settlement between these groups last year saw the unions awarded a wage increase in October of four cents retroactive to May 1 plus another four cents made effective Nov. 1.

In Quebec, agreements signed late in June forestalled threatened strike action by the union, the National Federation of Pulp and Paper Workers of Quebec. The contracts were signed by Consolidated Paper Corp. and Price Bros. and Co.

The Consolidated settlement provided a 40-hour week with a general 12% wage boost and a new hourly base rate of $1.41. Original union requests constituted pay increases amounting to 33%. The contract runs to April 30, 1954 with a wage re-opening clause Nov. 1, 1953.

At Price Bros. mills, the basic hourly rate was increased to $1.38 and the work week reduced from 48 hours to 44 hours. The week is scheduled to be cut again to 40 hours and the rate boosted to $1.41 if requested by the union before Nov. 1.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CUNNINGHAM DRUG STORES LTD., Vancouver, B.C., consolidated net profit of $93,390 for year ended March 31, 1953, was 10.7% higher than previous fiscal year's net of $84,396.

Combined retail and wholesale sales exceeded $9 millions, an increase of 5.7% over previous year, reports President G. T. Cunningham. However, costs continued to increase more rapidly than profit arising from sales.

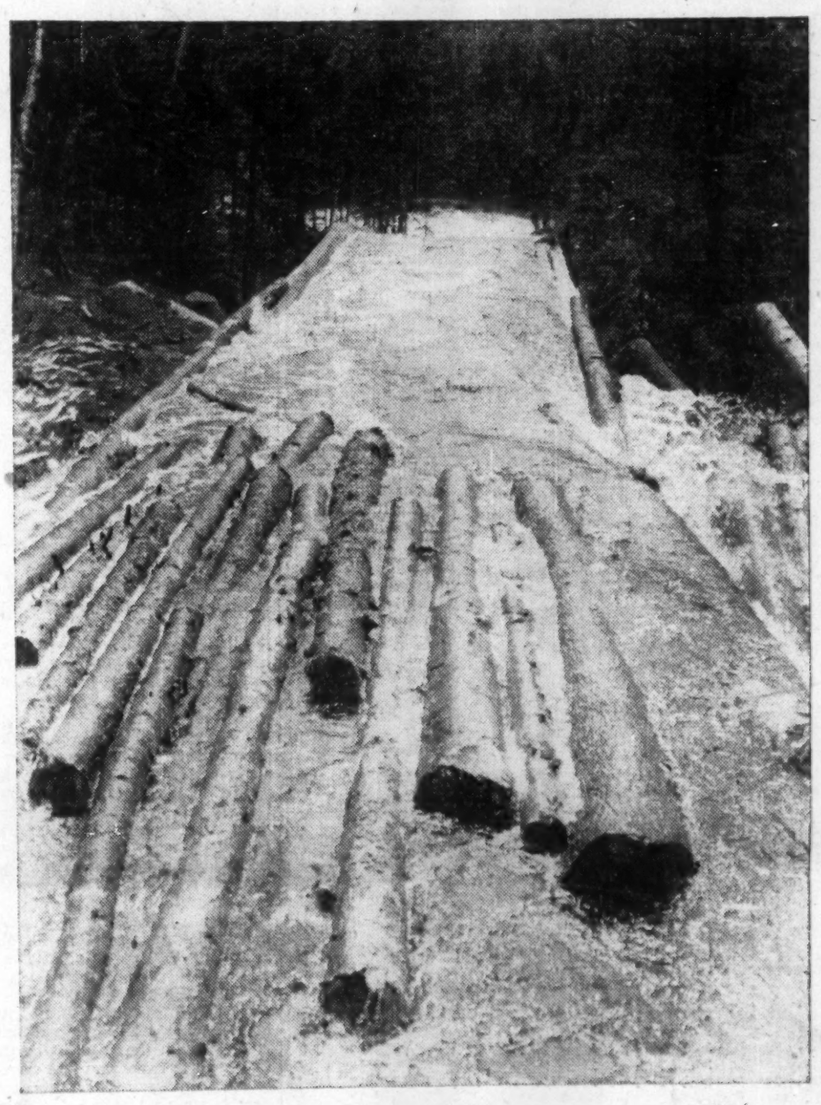
Efforts were made to modernize and enlarge company's wholesale plant, and these efforts will be continued in the current year, says the president. One nonprofitable retail outlet was disposed of, and another outlet acquired. A modern ethical dispensary is being opened in a new medical building.

CONS. INCOME ACCOUNT

Years Ended Mar. 31:	1953	1952
Net profit	$93,390	$84,396
Less: Pref. divds.	12,007	13,208
Com. divds.	33,608	33,608
Surplus for year	47,775	37,580
Earnings per Share and Dividend Record:		
Preferred	$21.39	$17.57
Paid	2.75	2.75
Common	0.34	0.30
Paid	0.14	0.14

CONDENSED CONS. BALANCE SHEET

As at Mar. 31:	1953	1952
Cash	$69,494	$76,533
Accts. rec., less res.	265,630	231,207
Inventories	1,579,139	1,438,972
Total curr. assets	1,914,263	1,746,102
Misc. assets	61,280	90,419
Fixed assets*	426,109	427,139
Goodwill	39,575	39,575
Total assets	2,441,227	2,323,235
Bank ln. & overd't	190,000	125,951
Demand loan	40,000	40,000
Accts., tax., etc., pay.	584,455	533,178
Mtgs. instal.	21,666	21,667
Total curr. liab.	836,121	720,796
Mtge. pay.	88,334	110,000
Invest. res.	95,729	95,729
Pref. s.f. res.	11,229	22,414
Minority int.	37,029	38,634
Capital stock	484,695	486,543
Capital surplus	78,677	56,827
Earned surplus	829,473	792,840
*After depn. of	419,127	383,551
Working capital	1,078,142	1,025,306



flowing wealth

A great Paper and Pulp manufacturing enterprise is a triumph of organization, skills, team play and enthusiasm — backed by large-scale capital investment, the fruits of which all share.

Beginning deep in the forests, the wealth stream of raw materials flows down many rivers to the mills to be processed into newsprint for the free press of the world or wood cellulose for textile and plastics of this modern age.

Canadian International Paper Company is Canada's largest producer of newsprint, high grade sulphite pulp and building boards. Evidence of the wealth which flows into the Canadian economy from the company's activities is reflected by the following figures.

Annual Capacity of Mills	*1,165,000 tons*
No. of Employees	*9,000*
Permanent annual payroll	*$33,000,000.00*
Seasonal payroll	*6,700,000.00*
Annual Freight Expenditures in Canada	*$19,000,000.00*
Annual Expenditure for Power	*$ 4,700,000.00*
Timber Limits	*13,725,000 acres*

In addition, the company is a large purchaser of supplies, a substantial contributor to forest conservation and protection. We like to think we are good corporate citizens as trustees of a large share of Canada's forest wealth.

CANADIAN INTERNATIONAL PAPER COMPANY

Subsidiaries & Affiliates

CHAIN
BULLDOZER PARTS
DIPPERS
DIPPER TEETH
SHEAVES
SPROCKETS
DRAGLINE PARTS
CRAWLER PARTS

SALES OFFICES:
JOLIETTE
MONTREAL
TORONTO
SAINT JOHN
OTTAWA
KIRKLAND LAKE
SUDBURY
VANCOUVER

Measure of Quality

The technical knowledge and resources of AMSCO — the world's largest manufacturer of manganese steel — combined with the extreme care and skill of men like Rosaire Perreault, pictured above, guarantees Joliette customers the finest manganese steel castings available.

Joliette Steel is the only Canadian company manufacturing manganese steel castings exclusively.

Dominion Brake Shoe Company Ltd.
FOUNDRY: JOLIETTE, QUE.
JOLIETTE STEEL DIVISION
FOUNDRY: JOLIETTE QUE. SALES OFFICES: MONTREAL QUE.
Manufacturers in Canada of AMSCO Manganese Steel Castings

The Financial Post

Vol. XLVII | Twenty Cents an issue, Six Dollars a Year | Publication Office: Toronto, September 12, 1953 | Member of Audit Bureau of Circulations | No. 37

The Bright New Outlook for Newsprint

Output May Be Record $650 Millions This Year As World Demand Sharpens

Every 24 hours, Canada's giant newsprint industry turns out over 18,500 tons of food for the presses of the world. As the paper streams from the 136 huge machines, at rates running as high as 29 feet per second, it is rewound, cut to required sizes, wrapped and shipped to publishers in every corner of the globe.

This year, the mills will probably set another production record, the eighth in as many years. Output may hit around the 5,750,000-ton mark and its value should top $650 millions. Thus the newsprint industry is still far out in front as the largest segment of Canada's biggest business.

Right now, the world newsprint industry is still walking the tightrope of a close balance between effective demand and supply. In Canada, production was just a shade under rated capacity for the first seven months of 1953 (99.1%) but topped the capacity figure in the month of July. Pretty much the same situation is thought to have existed in other major producing countries.

But it would take only a small increase in demand to create another tight newsprint market. The pendulum, of course, could swing the other way; there's no guarantee that it won't. But the small amount of slack which was evident in Canadian newsprint operations earlier this year now seems to have disappeared.

Behind the Bright Outlook

Here's why the outlook appears bright:

1. If American publishers continue using newsprint at the rate they were gobbling it up in the first part of this year, Canadian shipments to the U. S. could start rising above 1952 levels. Much depends on publishers' inventories.

2. It's generally expected that Canadian consumption will continue running at recent levels.

3. Export to markets overseas will likely not show further declines, may increase.

This year, shipments of Canadian newsprint into the key United States market for the first seven months, at 2,797,815 tons, were almost identical with the same 1952 period. But still-booming U. S. business has generated a marked gain in advertising lineage, pushing newsprint consumption a startling 3% over last year. So far, there's been no evidence of a downturn. It's thought that extension of the Excess Profits Tax may be a factor in encouraging increased advertising volume below the border.

Shipments of U. S. mills to their domestic market were off 2.7% in the first seven months, and imports from Europe were down 6.2%.

In the first part of last year U. S. publishers were still adding to stocks; this year they've trimmed them slightly (52 days' supply at the end of July, against 54 a year earlier). This explains how they've managed to maintain a record-breaking consumption level despite a slightly smaller over-all new supply.

What Can Happen

Therefore, if American consumption continues at recent rates, either one or a combination of two things must happen: purchases must be stepped up above 1952 levels or stocks on hand must be eaten into. Probably the latter will happen.

It's hard to tell, of course, just what is a "normal" level of publishers' inventories, and this is important in the short-term picture. In tonnage alone, newsprint stocks touched a new peak last year. But volume figures mean little until they are related to consumption.

Comparing present stocks, even in days' supply, with prewar levels is probably dangerous. In the 1930's, when newsprint mills were running well below capacity, the function of holding inventories was thrown back on the producers to a greater extent than it is now. Newsprint purchases followed the seasonal consumption pattern more closely (low points in January and July, highs in April and October-November) and publisher's inventories equal to around a 40-days' supply were considered about average.

Then came the war and, following it, the frantic postwar market. Newsprint was in short supply throughout most of the 1947-52 period and American publishers strove to better their inventory positions. By the end of last year, they had a 53 days' supply, generally considered too high. But by July, 1953, this had been pared to 52 days.

Canadian producers would probably feel more comfortable if U. S. stocks were lower. However, it's understood that many publishers now consider them not too far above normal.

Another interesting feature of this year's increase in U. S. newsprint consumption is that it has taken place despite a further marked shift to narrower page widths by American publishers, particularly in June.

At Home and Overseas

Let's look at the other markets.

Earlier predictions of Canadian consumption this year now appear to be slightly on the low side. To the end of July, domestic buyers took 229,474 tons, up a sharp 9.4% from the comparable 1952 period. If this rate is maintained, it would appear that consumption in Canada would reach at least 390,000 tons this year.

Overseas, the picture has been brightening. For the first seven months, shipments at 237,606 tons were down 8.6% from 1952 levels but increases over the comparable 1952 months were shown in April, May, June and July. Three factors are involved here: exchange restrictions; Scandinavian competition; and evidence that, while world consumption is not down in 1953, many countries have been eating into stocks.

The Scandinavians have been on the hunt for business this year, undercutting Canadian producers in many world markets. In the U. S., their prices have been about on a par with those of the Canadians, but in South America they've been ranging $20-$30 a ton cheaper and in Africa as much as $40 a ton cheaper. The result has been that Canadian mills have been knocked out of many small markets.

Generally speaking, the great bulk of Canada's newsprint exports other than to the U. S. goes to Britain, Ireland, South Africa, Australia, New Zealand, Mexico and Cuba. Shipments to some of these markets in the first seven months were as follows: To the British Isles, up 35,600 tons at 102,200; to Australasia, down 12,000 tons at 24,800; to Central America and the Caribbean, down 18,300 tons at 60,300; and to Africa, down 8,600 tons at 15,900.

The Overseas Outlook

What will happen in the balance of the year? Nobody is sure, but there are encouraging signs. Scandinavian prices normally react very fast to demand changes (they got as high as $300 a ton at the peak of the postwar scarcity) and there have been indications of possible stiffening lately in South American markets.

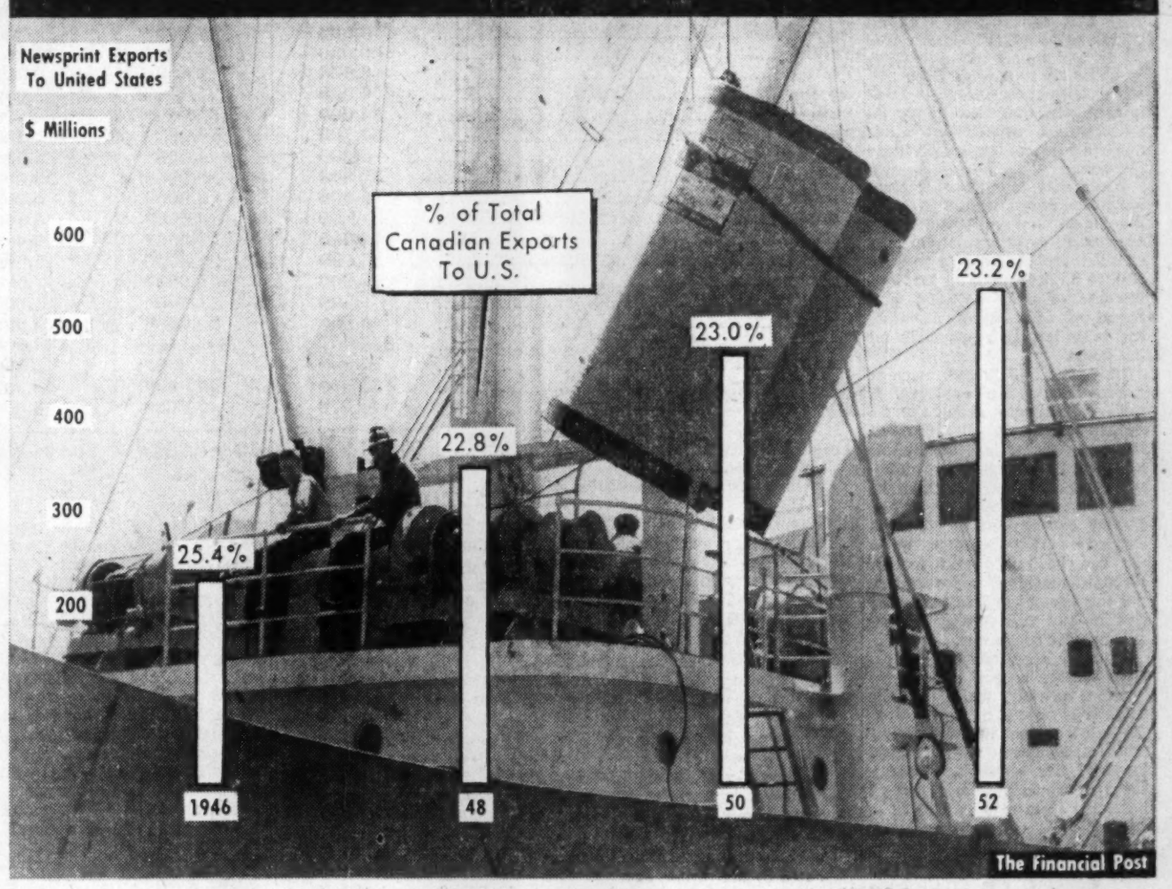
In some Far Eastern short term markets, prices have already moved up a bit. There have been instances recently of customers being advised by Scandinavian suppliers that delivery orders would have to be delayed for a few months. The Scandinavians are understood to be accepting no more South American orders for delivery this year.

Australian publishers have been unable to get the volume of newsprint they'd hoped for from European producers (including the U. K.), may be back on the doorsteps of Canadian mills asking for additional supplies. Some other countries, having reduced their stocks may be in the market for more paper.

The Newsprint Association of Canada, in its annual industry review last fall, estimated that Canadian mills might sell 520,000 tons overseas this year. On the basis of first seven months' results, they'll have to step up shipments sharply to do it. But some are still predicting they'll come very close. The

(Continued on page 52)

Newsprint's Vital Role In Trade With U. S.



Again DOMINION RUBBER BELTING IS CHOSEN FOR...

CANADA'S LONGEST

wood-handling conveyor system

4400' double-deck "MATCHLESS" belt hauls logs to wood piles—returns them to wood room

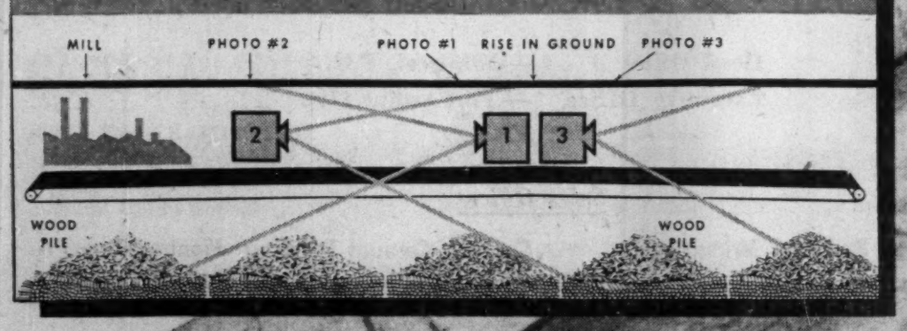
IN 1949, AT TERRACE BAY, ONTARIO, Dominion Rubber installed what were then the largest wood-handling conveyor belts—a 3300-foot single deck, and a 2940-foot double deck. Now, a Dominion Rubber belt has been engineered for an even more spectacular haul! At Kapuskasing, Ontario, a 4400-foot Dominion "Matchless" Belt speeds logs from barking drums to woodpile on the top side . . . delivers them back to the wood room on the lower deck! It is the longest wood-handling belt in Canada, and probably in the world!

While the size of this installation is exceptional, results are typical: a considerable saving in the cost of log handling; more cords moved per hour; low maintenance cost. Such savings will soon liquidate the initial cost of this conveyor, as it has on others where Dominion Rubber Conveyor Belts are engineered to provide low-cost haulage.

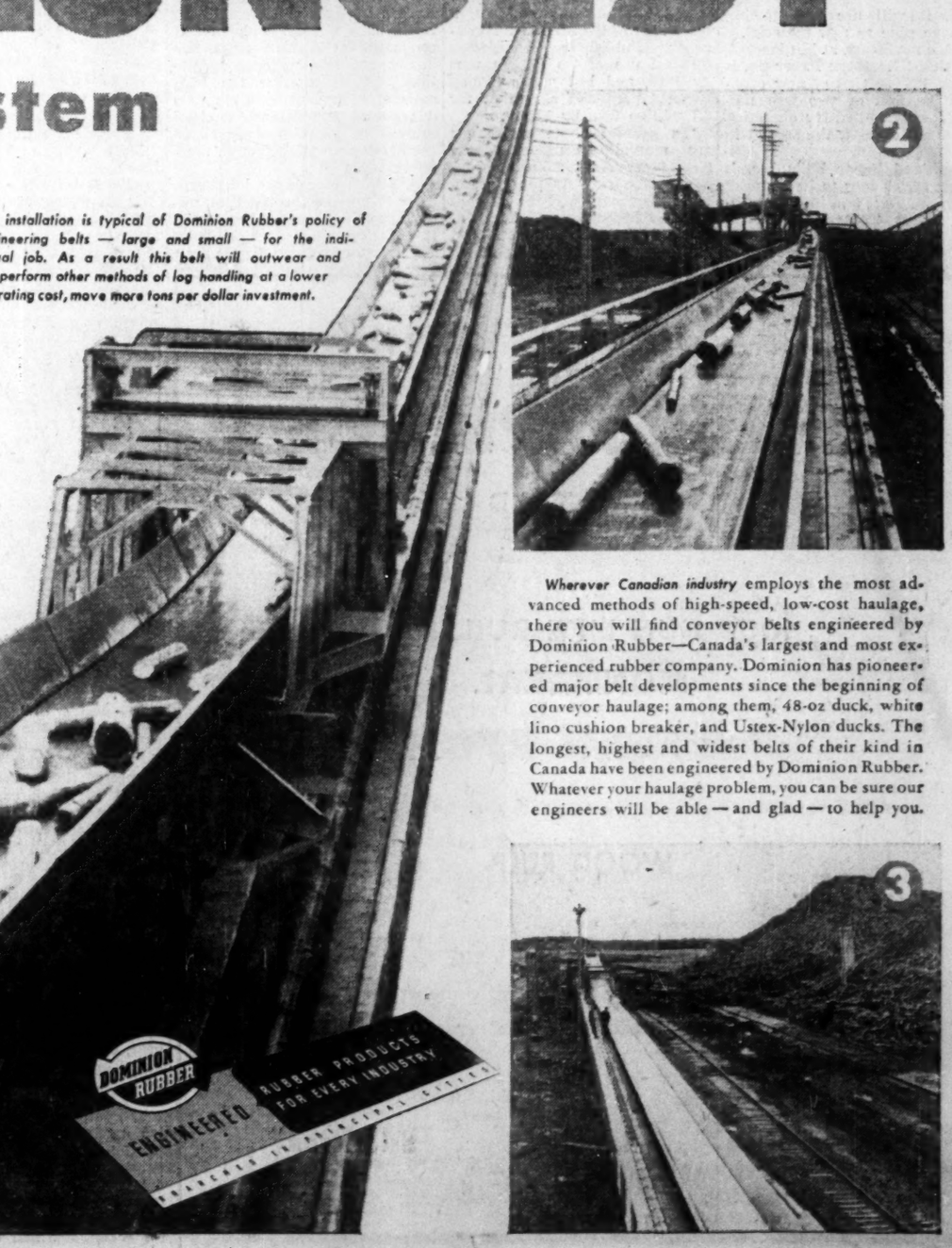
BELT SPECIFICATIONS

This huge new belt is a 42" wide, 6-ply Dominion Rubber "Matchless". It is engineered with a special rubber cover on face and back — both of which handle logs—for highest possible efficiency in winter operations, when regular compounds can become hard and slippery. The extreme length of the belt, and the fact that it passes over a rise in the ground, do not permit a single photograph to show the entire installation. It is shown diagramatically below, however, with positions indicated from which the photographs in this advertisement were taken.

SHOWING ENTIRE BELT AND POSITION FROM WHICH PICTURES TAKEN



This installation is typical of Dominion Rubber's policy of engineering belts — large and small — for the individual job. As a result this belt will outwear and out-perform other methods of log handling at a lower operating cost, move more tons per dollar investment.



Wherever Canadian industry employs the most advanced methods of high-speed, low-cost haulage, there you will find conveyor belts engineered by Dominion Rubber—Canada's largest and most experienced rubber company. Dominion has pioneered major belt developments since the beginning of conveyor haulage; among them, 48-oz duck, white lino cushion breaker, and Ustex-Nylon ducks. The longest, highest and widest belts of their kind in Canada have been engineered by Dominion Rubber. Whatever your haulage problem, you can be sure our engineers will be able — and glad — to help you.

Bright New Outlook For Newsprint

(Continued from page 51)

gap between 1953 and 1952 shipments has been closing steadily (37.2% in the first quarter, 13.8% in the first half and 8.6% in the first seven months).

In any event, the newsprint situation has definitely changed in the last couple of months. Mills which might have gladly helped handle an order of one of the few over-booked producers earlier this year are no longer in a position to do so. Capacity or over-capacity operations look like a possibility for the balance of 1953; one expert is predicting that Canadian production will hit close to 5,750,000 tons this year, against 5,687,000 in 1952.

At that rate, Canada's output would be about 60% above 1945 levels, and almost 80% over 1939.

The Big Expansion Race

To raise production in that fashion, the Canadian newsprint industry has carried out a remarkable job of expansion since the war.

While only four new machines have been added, including one in the single new mill which has been built, rated annual capacity climbed from 4,672,000 tons in 1945 to 5,722,000 tons in 1952—an increase of over 1,000,000 tons. Speed-up of existing machines has been largely responsible for the boost.

This year, still further machine improvements are expected to raise capacity to about the 5.8 million-ton mark. In 1954, St. Lawrence Corp. is scheduled to complete the conversion of an exsiting kraft paper machine to newsprint production, with an annual capacity of 60,000 tons. Capacity of the Canadian industry can be raised still further through machine improvements but this type of expansion is very flexible and will depend on general market conditions.

In many other countries, capacity has been boosted only slightly since prewar, while in some there has been a sharp drop (Britain's current 700,000 tons, for instance, compares with 1,100,000 in 1939). As a result, Canada's share of world newsprint output has risen from 41% in 1935-39 to around 52%. Gradual recovery in other parts of the world since 1946 has partially offset the wartime abnormal rise in Canada's slice of the total business.

Most of the new capacity being added outside Canada is going up in United States, where a large expansion program is now under way. Last year, the U. S. National Production Authority set a target of 494,000 tons of additional annual capacity, offering certificates of necessity under which producers could write off the new facilities in five years.

So far, DPA certificates have been granted on only 375,000 tons, with the high cost of investment and production plus the comparatively low return discouraging many possible "takers."

Expansion in U. S.

Here's what's under way:

Biggest project is Bowaters Southern Paper Corp.'s 130,000-ton annual capacity mill at Calhoun, Tenn. Expected to be turning out newsprint by next April, it will use fast-growing southern pine as raw material.

In the northeast, at Millinocket, Me., Great Northern Paper Co. is adding 124,000 tons of new capacity. The first of two new machines is scheduled for operation in the fall of 1954, the second in 1955.

Southland Paper Mills Inc. is adding 68,000 tons to its capacity at Lufkin, Tex., and in the northwest, West Tacoma Newsprint Co. has recently completed a 40,000-ton production expansion at Steilacoom, Wash.

Two smaller projects include an 11,000-ton expansion at the Plainwell, Mich., mill of Michigan Paper Co.; and a 4,000-ton addition at the Oregon City, Ore., plant of Publishers Paper Co.

In other parts of the world, there is also some additional newsprint capacity being built:

In the United Kingdom, for instance, Bowater's is adding a new machine capable of turning out 70,000 tons a year, while Albert E. Reed Co. is reported upping annual capacity by about 40,000 tons.

In Finland, a new 70,000-ton mill is scheduled for late 1954 operation, and there have been reports of a 100,000-ton mill to produce newsprint under construction.

Western Germany and Austria have each recently boosted capacity by probably about 50,000 tons annually, while in New Zealand construction of a mill to turn out 75,000 tons a year was expected to get under way this month for 1955 completion.

Against the picture of a sharply expanded Canadian newsprint industry stands an impressive line-up of bright long-term demand forecasts.

U. S. Consumption Climb

Take the U. S., which buys almost 87% of Canada's newsprint these days. Last year, American publishers consumed a record 5,988,000 tons. Yet a 1952 Department of Commerce report estimated that consumption by 1955 would total 6.9 million tons, a 1951 study of the American Newspaper Publishers Association forecast use of 7.5 million tons by 1960, and last year's "Paley Report" predicted a market for 8.7 million tons by 1975.

"In general, these projections are mutually consistent," the Newspaper Association of Canada points out. "As the forecast period is lengthened the average increase becomes less. This conforms to the principle mentioned in the Paley report, that annual increases in U. S. consumption will eventually tend to taper off.

Newspapers have been and still are the top mass market advertising medium. Their slice of the whole U. S. advertising pie has dropped (34.1% last year against 45.1% in 1935) but advertising linage in the same period has more than doubled.

Newspapers may lose more ground to other mediums—magazines, television and, possibly, radio. But as population and national income rise, newspaper advertising and circulation should tend to steadily increase. With them will go newsprint consumption.

So far, newspapers do not appear to have suffered much at the hands of the husky, ground-gaining newcomer, television. In the first six months of this year, for instance, newspaper advertising in 52 American cities was up 5.3% from the same period of 1952, a gain comparing very favorably with previous annual boosts in the postwar period. TV network billings chalked up a 17.9% increase, but radio, which was down 1.1%, appears to have been the sufferer.

A Growth Industry

Consumption outside the U. S. can also be expected to increase.

Take the United Kingdom, second only to the United States in newsprint consumption. Publishers there are still operating under newsprint restrictions, are using only 60-65% of their prewar tonnage. And there are other large markets which have yet to regain their 1935-39 levels of consumption; in many cases, this has been due to exchange restrictions, while in some the high costs of newsprint to users who depend on non-North American sources of supplies discouraged normal consumption growth until fairly recently.

And then there's the long-term growth prospect, related to upward trends of population, literacy and economic development.

For instance, the U. S. has been consuming nearly 78 lb. newsprint per capita annually, Canada almost 50 lb. Contrast this with Japan's 7.3 lb., the Philippines' 2.3 lb., Egypt's 1.6 lb., Turkey's 1.1 lb., etc. Even if some of these countries just doubled or tripled their per capita appetites, it would boost world demand substantially.

Significant for Canada is the fact that from now on increases in world newsprint consumption are going to have to be pretty well matched with new capacity.

Pre-war, there was some 2.4 million tons of excess world newsprint capacity according to the Newsprint Association of Canada. Even in 1946, apparently idle capacity totaled 2.0 million tons, largely due to wartime damage, scarcity of raw materials and diversion, though temporary, of former newsprint capacity, to other grades.

But by this year, idle capacity had been whittled down to an estimated 450,000 tons. And of this, possibly 250,000 tons is thought to be no longer available for newsprint production.

Newsprint demand has exhibited a notable degree of stability, coupled with a basic long-term growth trend. Canada is thought to be in a very favorable position to serve the further expansion that seems assured.

On the one hand, most of her mills were built during a relatively low-cost period, are thus in a strong competitive position despite higher production and marketing costs. On the other, she has the timberlands needed to support a much larger pulp and paper operation (although newsprint will have to compete with other products in the contest for utilization of wood resources).

Canada a Favored Nation

Most other countries of the free world are not nearly so fortunate as regards timber wealth. And, in many, there has been a much greater tendency to shift to other pulp and paper products than has been evident in Canada.

There is always, of course, the possibility that newsprint may be made economically from some substance other than wood pulp, thus producing new competition for Canadian mills. Bagasse (sugar cane waste), for instance, can be used to make newsprint; however, it shows much more promise as a raw material for products such as high quality paperboard and bleached pulps. In addition, bagasse is not a cheap raw material.

At the moment, all appears quiet on the newsprint price front. Barring the increase, in most cases $10 a ton, put into effect early this year on their domestic business, the mills have left prices unchanged since the spring of 1952.

This year, while some costs are higher, newsprint producers earnings are being helped by lower income taxes and strengthening of the U. S. dollar. There seems to be little pressure for a price increase at the present time.

On the downside, it's generally expected that newsprint mills would cut back production, rather than drop prices, if newsprint demand turned significantly downward. It's pointed out that, within fairly narrow limits, of course, increases or decreases in newsprint prices appear to have little effect on demand.

While Canadian mills have taken plenty of criticism regarding their price policies in the postwar period, these appear to have been pretty sound. The mills certainly cannot be accused of charging all the traffic would bear, but at the same time profits have been good and financial positions have been sharply improved.

The returns have been attractive enough to generate the expansion needed to arrive at the current rough supply-demand balance. They have not, however, been big enough to prompt the hectic, 1920's-style wave of new construction which once proved so disastrous.

How Canada Leads the World

World Newsprint Production (tons)

	1951	1952	1953*
Canada	5,516,279	5,687,051	5,750,000
U. S. A.	1,124,748	1,146,864	1,100,000
Argentina	6,600	22,000*	50,000
Brazil	37,780	40,000*	50,000
Chile	12,000	13,000*	14,000
Peru	500	500*	500
Britain	590,100	601,290	650,000
Finland	453,758	479,981	480,000
Norway	179,679	167,264	175,000
Sweden	365,496	364,620	376,000
Belgium	65,875	68,000*	68,000
France	355,000	355,000*	355,000
Germany—E. Zone	150,000	150,000*	150,000
W. Zone	178,760	195,000*	215,000
Netherlands	19,500	113,000*	113,000
Poland	60,000	60,000*	60,000
Portugal	2,338	2,000*	2,000
Russia	400,000	425,000*	425,000
Switzerland	55,000	55,000*	55,000
Austria	84,700	99,000*	110,000
Bulgaria	4,000	4,000*	4,000
Czechoslovakia	53,000	53,000*	53,000
Hungary	6,000	6,000*	6,000
Roumania	4,50	4,500*	4,500
Italy	112,000	129,000*	129,000
Spain	25,000	26,000*	27,000
Turkey	7,000	7,000*	7,000
Egypt	1,500	1,000*	1,000
China	20,000	20,000*	20,000
Japan	253,957	307,146	380,000
South Korea	15,000	15,000*	15,000
Australia	35,600	34,000*	50,000
Taiwan	6,370	7,000*	10,000
Total	10,291,940	10,658,208	10,904,000

*Estimated.
Source: Newsprint Association of Canada.

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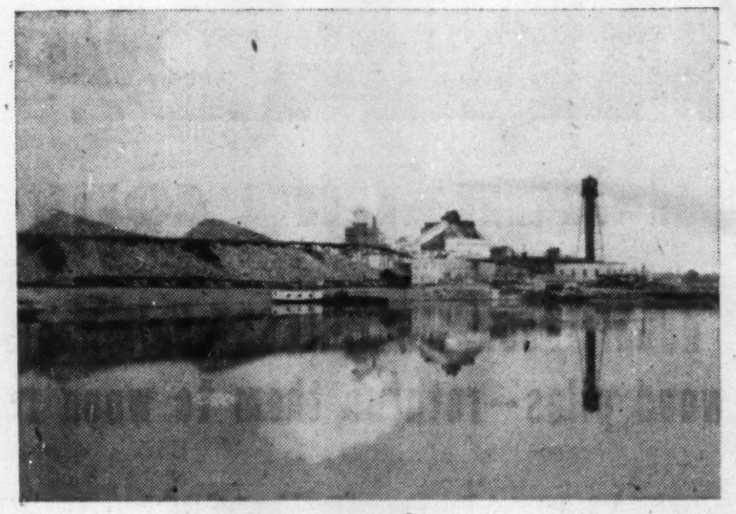

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JOB FOR SCIENCE

Research: Basis For Wider Growth

Today's Fat Lab Budgets Are Paying Off

The Canadian pulp and paper industry has sunk about $1 billion into its plant facilities since the war. And the results have been impressive: output has climbed sharply, earnings have shown big gains and financial positions have been strengthened.

Now, there's plenty of evidence that industry executives are turning more and more to still another means of improving long-term competitive positions. Research is taking a bigger hand—and it's paying off.

There are a number of reasons for this swing toward bigger research budgets, particularly noticeable in the last two or three years.

Part of the move is simply a reflection of better times in the pulp and paper industry. Back in the hungry 1930's, many mills had a tough enough time just keeping their heads above water and staving off disaster. They had little cash to spare for research, despite the miracles it often works.

And part can also be charged up to the same trend, evident in so many other big industries these days, toward a more intensive application of scientific knowledge. Technical men—engineers and scientists—have moved into more of the key executive positions in recent years and are exerting a tremendous influence.

Finally, the results of research, in terms of actual dollar cost savings and improved products, are driving the point home in fine fashion.

Waste sulphite liquor from digesters like this normally goes down the drain, carrying with it around half the volume of the original logs. That's why hundreds of thousands of dollars are being spent on this and other problems by the pulp and paper industry for rich research prizes. On another problem, the Pulp and Paper Institute of Canada task force has been scrambling in and out of digesters across the country to get first hand data on corrosion causes.

Growth of Research

A fair number of Canada's pulp and paper companies have had separate research departments for years now, and have come up with some remarkable new developments. Their successes—and those of others—have sparked a steadily growing flow of funds for this vital function. And more of the companies are establishing research departments of their own in addition to the support they give to work in universities and in central research laboratories.

Plowing money into research, of course, requires courage. It may take years to translate the first germ of an idea into a dollars and cents earnings statement result. Inevitably, many projects just simply fizzle out because, as in all types of work, there are bound to be failures.

But the field for new development in pulp and paper appears to be wide open and marked changes seem to be in store for the industry.

For instance, a mill takes two tons of pulpwood, chips it, cooks it, and comes up with about a ton of unbleached sulphite pulp, worth around $120 these days.

But the waste sulphite liquor from the cooking operation goes down the sewer, carrying with it around half the volume of the original logs. In that liquor are sugars, sulphur, and a whole range of useful chemicals in complex mixtures that could be made to yield values perhaps in excess of the pulp fibre itself.

"We're sure," says Dr. Lincoln R. Thiesmeyer, president of the Pulp and Paper Research Institute of Canada, "that the total value of the products in that so-called waste liquor, at current prices, would be greater than the value of the pulp itself if we could find markets for all of them."

Then why not get busy and use them? To a very limited extent that's been done for years now. But further development depends on a number of factors.

Sulphur Recovery

For example, the Research Institute in Montreal has now developed a process for treating this liquor which will return 40% of the original sulphur used in the cooking. It will also produce large volumes of finely divided carbon and will yield tars and distillates that contain many chemicals of possible future interest.

But the chances of Canadian pulp mills using the process right now seems slim. Naturally, it requires capital expenditure for new equipment, varying with different mills. And, while the sulphur recovery is impressive, by itself it is not enough to justify the expense. Some of the carbon (38,000 tons a year would be produced by a 200-ton daily capacity mill) might be used for fuel, not too much needed in most places. Some might also be compounded with rubber for certain purposes but the market for such rubber products is very limited.

The Institute is exploring this problem of marketing the carbon. And if new uses can be turned up, the economics of the new process might change overnight. They could also be transformed, of course, if sulphur suddenly became in short supply, as happened two years ago. At present, however, that does not seem a threat, because of the new extraction processes that have been placed in operation in Canada to get sulphur from pyrite ores and from smelting wastes.

This same basic principle applies to the many other valuable products contained in the liquor. Some day, as research—both scientific and market—opens up new uses and as the market expands for the large quantities which could be turned out by the pulp and paper industry, they will undoubtedly be recovered.

The main point is that this process, on which the industry spent $180,000 for research, is now available. It's on the shelf, ready for application, and one of these days may well be taking its place in the pulp and paper industry. Meanwhile, mills in Canada and elsewhere which did not actually contribute to the cost of the development, but which may already have some of the capital plant required, can make appropriate financial arrangements for using it.

Chemical Possibilities

Chemicals added in the kraft pulping process are already being recovered for reuse. But the chemical complexes dissolved away from the wood and constituting another large part of the waste liquors are generally only being burned to derive heat. Some day, whole new markets for these chemicals may also open up. Here, then, is a further challenge to research and market development.

The Institute, of course, is only one of the many Canadian organizations doing research in the pulp and paper field. Besides separate departments inside some of the companies, they include l'Ecole de Papeterie at Trois Rivieres, the Forest Products Branch of the Federal Department of Resources and Developments, the National Research Council, the Alberta Research Council, the British Columbia Research Council, the Research Council of Ontario, University of Toronto, University of British Columbia, Laval University and University of New Brunswick.

But the Institute—the work it is doing and the results it is getting—does provide an excellent example of just how intensively the search for new developments is being carried on right across the country.

Backed by the industry itself, the Federal Government and McGill University, it underwent a major re-organization three years ago. Since then, total staff has grown from 57 to 142 and operations have mushroomed out into four separate locations in downtown Montreal. In addition to its direct achievements in research, the Institute serves as an excellent training ground for young scientists doing post-graduate work.

Now, the industry is giving serious consideration to a prominent expansion of its scope, financing and physical plant.

"Va-Purge" Process

Let's look at progress in some of the other major problems it has been working on. Last June, the Institute released details on one of the most outstanding research developments of recent years. Called the "Va-purge" process, it is the end-product of a quarter century of fundamental studies and pilot plant and mill scale investigation.

In a nutshell, Va-purge can cut chemical pulp manufacturing costs and boost output per cord of wood with no reduction in quality. It does this by achieving better and faster "penetration."

One of the basic requirements of efficient chemical pulping is the uniform and thorough penetration of cooking liquor into the wood. With Va-purge, steam under pressure is first injected to remove the air in the tiny capillaries and pore spaces inside the wood (the air hinders penetra-

(Continued on page 54)

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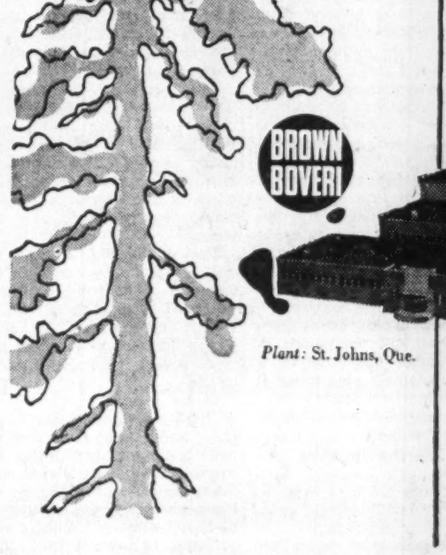

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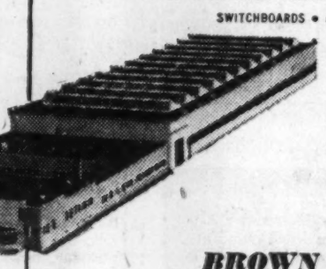

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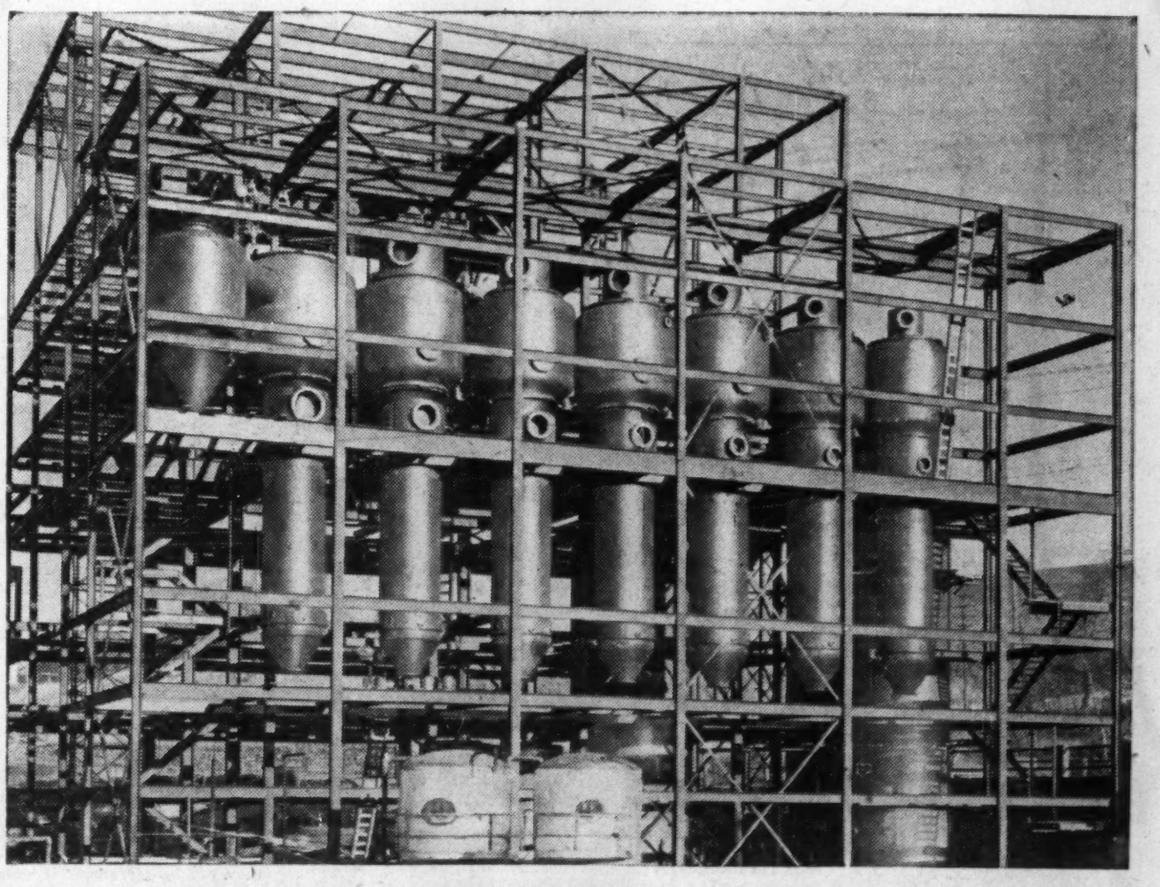

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Here Is Progress Report on the Wood Pulp Producers

Abitibi

Abitibi Power & Paper Co. directly and through subsidiaries manufactures newsprint, sulphite pulp, printing and fine papers and paperboard. Mills producing these items are at Iroquois Falls, Sault Ste. Marie, Fort William, Port Arthur and Smooth Rock Falls, Ont.; Pine Falls, Man.; and Beaupré, Que. Manufacture of unbleached sulphite pulp at the Sault Ste. Marie mill was discontinued in August, 1952.

Abitibi in 1952 produced 54,603 (57,345 in 195.) tons of bleached sulphite pulp and 14,731 (32,564) tons of unbleached sulphite pulp.

Abitibi is joint owner, with the Koerner interests of Vancouver, B.C., of Alaska Pine & Cellulose Ltd., which operates two dissolving pulp mills on the Pacific Coast (see article below).

Alaska Pine

Alaska Pine & Cellulose Ltd. produces high alpha dissolving and bleached sulphite pulps, of which 90% is used in the manufacture of rayon and staple fibre and the balance in fine-paper making. Company operates two cellulose mills, one at Woodfibre on Howe Sound, B.C., about 25 miles from Vancouver, and the other at Port Alice, in the northerly part of Vancouver Island. Capacity of each is 200 tons per day.

Through subsidiaries and associated companies in British Columbia, company operates one of Canada's largest lumbering businesses. This includes three sawmills at New Westminster, Vancouver and Cowichan Lake, B.C., having combined annual capacity of 260 million board feet, and two shingle mills with 20 machines.

Control of the company is jointly held by Abitibi Power & Paper Co. and the Koerner interests of Vancouver, B.C., each holding 50% of outstanding common stock. By March, 1953, said Abitibi President D. W. Ambridge, his company's equity in Alaska Pine & Cellulose had risen to $2,191,407 more than acquisition cost of $9 millions, as a result of earnings less dividends.

Consolidated net profit of Alaska Pine & Cellulose for 1952 was $1,110,052, down 79.4% from 1951 net of $5,384,732. Net sales of $36,901,475 were 8.3% lower than previous year's total of $40,221,492.

Earnings were adversely affected, said Mr. Ambridge, by the world-wide slump in the textile business, decline in the U.S. dollar, reduction in lumber purchases by the J.K., and a succession of labor troubles culminating in lumbermen's and carpenters' strikes.

Depreciation and depletion allowances in 1952 totaled $3,449,243, approximately the same as 1951's $3,450,726. Income taxes decreased to $1,950,000 from $6,714,444 the previous year. Capital projects under construction at beginning of 1953 would require an estimated expenditure of $2.3 millions to complete.

Earnings per share in 1952 were $67.28 ($326.35 in 1951) on preferred stock, and $10.28 ($53.02) on common. Dividend of $5 was paid on preferred shares in each year; common dividend was $39.25 in 1951, but no dividend was paid last year.

Total assets at year's end were $63,665,824 ($65,918,171 at Dec. 31, 1951). Working capital was $8,020,317 ($7,691,182) and inventories $9,159,488 ($10,163,304).

Capitalization outstanding at Dec. 31, 1952, consisted of $500,000 3½% Series A first mortgage bonds, due 1953-54; $12,434,000 4½% Series A first mortgage bonds, due 1966; $1,650,000 5% cumulative preferred stock, par $100; and 100,000 n.p.v. common shares.

Anglo-Canadian

Anglo-Canadian Pulp & Paper Mills Ltd. produces a substantial amount of unbleached sulphite pulp for sale at its Quebec City Mill. Annual capacity was recently raised to 75,000 tons. Actual production in 1952 amounted to 49,894 tons as against 39,681 tons in 1951.

For the main Anglo-Canadian coverage see newsprint companies.

Bathurst

Bathurst Power & Paper Co. produces unbleached sulphite pulp for sale at its Bathurst, N.B., paperboard plant. Production of unbleached sulphite in 1952 amounted to 18,699 tons, down considerably from the previous year's total of 29,168 tons.

The company states that the sales of pulp was considerably lower in 1952.

In his first quarterly report for the current year, President R. L. Weldon reports that price for unbleached sulphite pulp was further reduced by the company this year to meet competition and that demand in May was "somewhat higher."

Beverly

Beverly Pulp & Paper Mills Ltd. was formed early in 1952 to replace Edmonton Pulp & Paper Mills Ltd. which had planned to build a newsprint and dissolving pulp mill in Edmonton. Part of the foundation was completed in the fall of 1950. President R. O. Sweezey states that plans are to start construction this winter on a 200-ton daily capacity mill to produce chemical pulp.

Bowater's Nfld.

Bowater's Newfoundland Pulp & Paper Mills Ltd. produces a substantial amount of sulphite pulp for sale.

At its Corner Brook, Nfld., newsprint mill, it operates 150-inch sulphite pulp drying machine with a total daily capacity of 175 tons, or annual capacity of about 55,000 tons.

Nearly the whole production of the company has been sold under long term contracts with the bulk of sulphite pulp and pulpwood going to associated mill companies in Britain.

"While the current year's operations should be on a satisfactory basis, some reduction of earnings is anticipated in view of continued trend to higher costs, adverse exchange rates and fall in the market price for sulphite pulp," Secretary J. G. Wyllie stated in the 1952 annual report.

For main report on the company, see newsprint section.

Brown Corp.

Brown Corp. is a wholly owned subsidiary of Brown Co., Berlin, N.H., and is Canada's largest producer of sulphate pulps.

The company's mill at La Tuque, Que., on the St. Maurice River has an annual production capacity of about 150,100 tons of bleached, semi-bleached and unbleached sulphate pulp. It also produces one million feet of spiral-wound paper cores a year and 130 gallons of turpentine daily.

Timber limits of the company are sufficient to provide a perpetual supply of pulp wood. They include 848,083 acres of freehold timberland and 1,693,687 acres under license from the Province of Quebec.

Brown Corp. and Shawinigan Water & Power Co. each own

(Continued on page 55)

Research: Basis for Wider Growth

(Continued from page 53)

tion). This means that the cooking liquors can penetrate the fibres faster and more completely. Hence a quicker and more even "cook" and this may mean a larger output of fibre in a smaller period of time.

Va-purge can pay off with increased pulp yield through greater uniformity and reduction of rejects; much shorter pulp cooking time when "vapor phase" cooking is used; somewhat shorter cooking time in any case; lower chemical and steam consumption without reduction of pulp quality; and ability to cook mixtures of species with little regard for variations in moisture content through seasoning.

Not all of these general benefits can be obtained in any one application nor at the same degree from one application to another. But the process is applicable to many batch pulp-making methods, and also to continuous pulping, generally with only "minor modification" of existing equipment.

To get the very maximum results, a mill should actually be designed for Va-purge. But evidence presented by companies which have tested it show that existing units can reap substantial benefits.

So far, the Institute has received serious inquiries on the process from at least 100 companies all over the world. A total of 45 firms have been licensed to use it, including 36 in Canada, seven in the U.S., one in New Zealand, and one in Finland.

Sulphite Development

The industry's research team at the Institute has also come up with a new development in the field of sulphite pulping.

In most sulphite operations these days, the return of useful fibre per cord totals about 50%. Anything which would raise that yield, thus cutting the amount of pulpwood needed per ton of pulp, would be vitally important.

Three years ago the sulphite industry launched a co-operative study on high-yield sulphite by the Institute.

Through the proper use of cooking techniques, yields as high as 75%-80% are now possible. This is an optimum of course, and might only be attained at a brand new mill. But some companies are now revamping their present operations to take at least some advantage of the findings which their investment in research produced.

Results in existing mills would vary considerably according to the particular setup of plant and manufacturing conditions. In some, the cost of the necessary changes might outweigh the benefits. In others it would be practicable to install only a few of the changes, thus reaping only part of the benefits.

But the techniques appear to have wide applicability. And the main point, once again, is that the industry is moving aggressively toward improving its competitive position, lowering its costs, raising its yields, and better conserving its basic raw materials.

This high-yield sulphite study will already have cost over $300,000 and is continuing. But the potential dividends dwarf that figure, and the marked change in yields that is now possible represent only a part of those dividends.

In kraft pulping, the corrosion of high-priced digesters has had pulp and paper men the world over tearing their hair for years. Studies have been under way in many countries, but so far nobody has been able to explain the cause of that corrosion. What makes it so tough to solve is that any one or a combination of some 125 variables in the steel, in the chemicals of the process, in the operating conditions, etc. might be the culprit.

Metallurgy Study

For the past two years, an Institute task force has been scrambling in and out of digesters across the country, taking metallurgical samples to study under the microscope, making plaster casts of corroded areas, analyzing liquors, and gradually building up a vast amount of first-hand data. From very close analysis of this, it is expected that the cause or causes of the corrosion can be spotted so that experimental work can then go after the cure.

This year, the Institute hopes to be able to state definitely whether or not the steel used to make the digesters is a factor in the corrosion. If it is, the field of possible causes will have been narrowed sharply and pinpointing of the responsible elements will be a much easier job. If it is not, the number of variables will still have been cut, and the mills will know whether there is any reason for continuing to pay for premium steels in their digesters.

Over $300,000 has also been spent by the Institute so far on this problem. A lot of money, sure. But corrosion probably costs the Canadian kraft industry about $1 million annually. A solution would be worth plenty.

A major target of pulp researchers the world over for years has been the development of methods for making chemical pulps on a continuous basis.

Today, the cumbersome batch process still rules the roost in chemical pulp manufacturing. But, although there are still plenty of problems to be licked, wider use of continuous pulping may not be far away. It should cut operating costs sharply and revolutionize the industry in many ways.

Work on continuous kraft and semi-chemical processes has already been translated to commercial uses in a small way in several parts of Europe and at least one U.S. mill. One New Brunswick mill produces semi chemical hardwood pulp for liner boards in a continuous process.

For continuous sulphite pulping, one of the problems to be solved is how to get the wood chips through the cooking process without bending or twisting the fibres. When that happens, the result is a poor-quality, low-strength pulp.

So far, no apparatus has been developed that would handle the wood without subjecting the fibres to stress. But undoubtedly a solution will be found.

Toward the Push-Button

One authority has predicted that, if the industry really went after it, a mill able to produce various types of pulp on a continuous basis would be feasible within 10 years. It could make sulphite one day, kraft the next, and be practically a push-button operation.

How soon continuous pulping will be adopted on a wholesale basis nobody knows. After all, the industry has a huge investment in batch-process mills, and could not scrap them overnight. However, the days of new mills using batch methods appear to be definitely numbered.

Incidentally, the Va-purge process was a major step forward in the wider applicability of continuous pulping, as it permits use of vapor-phase cooking. Under this system, all excess liquor is drawn off from the digesters after penetrating has been completed, and the pulping reaction takes place quite rapidly.

A full account of the work under way in the companies, the universities and the central research laboratories would fill many more columns. It would describe current studies of mechanical pulping operations (some 58% of Canada's pulp production is mechanical), of paper-making itself, etc. It would also dip into such truly basic items as the attempts to discover just what attracts wood fibres to one another so that paper can be formed, and the investigations aimed at discovering the chemical composition and molecular structure of lignin (which originally binds the fibres together and is dissolved out in mechanical pulping).

The over-all impression given by the many studies under way is that of a vast industry on its toes and moving ahead, through research, to even greater growth and prosperity.

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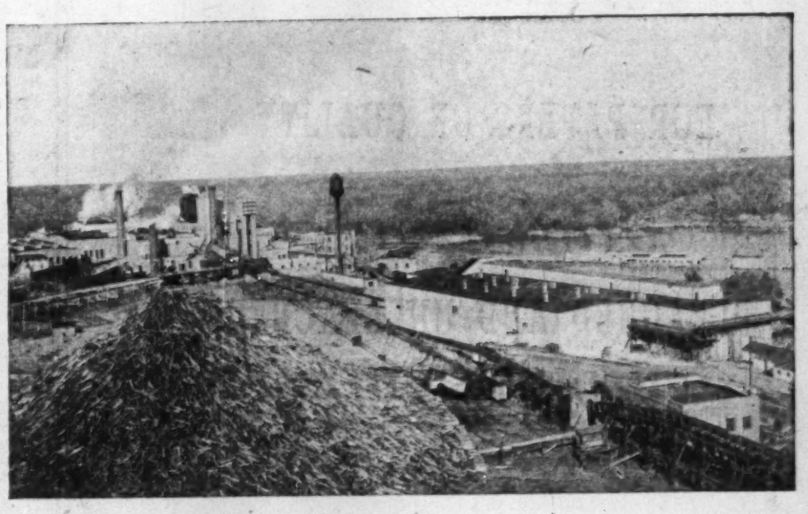
NEW GLASGOW - MONTREAL - NORANDA - OTTAWA - NORTH BAY - TORONTO - HAMILTON - WINDSOR - WINNIPEG - EDMONTON - VANCOUVER

Operating 12 mills in Ontario, Quebec and Manitoba, Abitibi Power & Paper Company, Limited and subsidiaries forms one of the world's great business enterprises



Iroquois Falls, Ontario—Newsprint

ANNUAL CAPACITY

Newsprint	720,720 tons
Printing and Fine Papers	89,365 tons
Bleached Sulphite Pulp	66,220 tons
Corrugating Board	35,420 tons
Hardboard	57,000,000 square feet

Abitibi

ABITIBI POWER & PAPER COMPANY, LIMITED
EXECUTIVE OFFICES: 408 UNIVERSITY AVENUE, TORONTO, CANADA

Report on the Wood Pulp Producers

(Continued from page 54)

50% of the common stock of St. Maurice Power Corp. which runs a hydro electric power plant at La Tuque with an installed capacity of 222,500 hp. supplying the mills requirements.

During 1952 sorting equipment was rebuilt, two new digesters were installed and a new blow tank and bailing equipment were put into operation, at the company's Canadian mill.

Operating and financial results of Brown Corp. are consolidated with the parent company for the year ended Nov. 30, 1952, net profit was $4,396,967 — down 40.8% from the previous fiscal year's net of $7,430,040. Sales of pulp, paper and towels totaled 297,336 tons.

Demand for pulp and most paper products receded sharply during 1952 President L. F. Whittemore reported. He said that markets in the industry had emerged from the period of scarcity and that there had been substantial increases in the industry's capacity, which at times in the future may exceed the level of consumer demand.

For the 28 weeks ended June 13, 1953, dollar sales were down only slightly from the previous year but the net profit of $1,475,425 was off sharply from $3,107,414 in the same period of 1952. Net sales at $36.9 million were only 1.1% lower and were higher than the full 1952 average.

Where We Send Our Wood Pulp

(In tons of 2000 pounds, air dry weight)

Exports by Countries To:	1948	1949*	1950	1951	1952
United States	**1,590,674**	**1,304,774**	**1,694,444**	**1,831,421**	**1,588,890**
British Commonwealth	**181,825**	**177,358**	**123,522**	**225,632**	**221,525**
Australia	11,229	3,544	5,381	6,908	10,841
British South Africa	0	0	220	0	0
Hong Kong	0	69	0	0	0
New Zealand	0	0	0	1,473	0
United Kingdom	170,596	173,745	117,921	217,251	210,684
Latin America	**10,487**	**5,519**	**10,991**	**32,071**	**32,392**
Argentina	371	0	0	52	0
Brazil	5,208	2	0	14,074	11,031
Chile	111	772	554	5,241	4,821
Colombia	1,439	220	1,694	875	1,396
Cuba	257	557	1,763	457	560
Mexico	330	2,062	4,311	7,467	12,206
Peru	436	225	1,011	1,516	659
Uruguay	0	40	0	16	0
Venezuela	2,335	1,641	1,668	2,183	1,719
Europe and Eire	**11,902**	**49,756**	**11,387**	**91,798**	**64,370**
Belgium	806	739	2,820	12,950	6,090
Eire	0	0	0	0	701
France	4,563	7,558	5,821	37,696	26,262
West Germany	5,431	40,059	2,093	25,680	12,497
Greece	1,102	0	0	0	0
Italy	0	1,100	3	11,231	8,843
Netherlands	0	2	400	3,181	8,843
Austria	0	0	0	0	37
Spain	0	0	27	27	3,554
Switzerland	0	298	223	1,033	1,352
Asia and Africa	**3,110**	**11,299**	**5,799**	**62,400**	**33,072**
China	197	0	682	0	503
Egypt	0	0	280	224	0
India	600	50	0	661	2,410
Japan	2,313	11,249	4,837	61,515	30,159
Total, all countries	1,797,998	1,548,706	1,846,143	2,243,322	1,940,583

Source: Canada, Dominion Bureau of Statistics.

* Exports from Newfoundland previous to March 31, 1949, are not included in these data.

Can. International

Canadian International Paper Co. produces large amounts of sulphite pulp for sale. The company is a wholly owned subsidiary of International Paper Co., New York.

Last year its various mills in Canada produced a total of 217,149 tons of dissolving and other sulphite pulp as compared with 261,239 tons in 1951.

The company's Kipawa sulphite mill at Temiskaming, Que., has three pulp-drying machines with a total daily capacity of about 367 tons of high-grade bleached sulphite pulp (113,400 tons annually on a 309-day basis). The Hawkesbury sulphite mill at Hawkesbury, Ont., is also equipped with three pulp-drying machines with a daily capacity of around 194 tons of high-grade bleached sulphite (60,000 tons on a 309-day basis). When required, production can be shifted to paper grade, with a capacity of about 234 tons daily. An extensive rebuilding program has been under way at Hawkesbury for some time and was completed at the end of 1952. The mill is now producing a special new grade of hardwood dissolving pulp that was developed at the adjacent laboratories of the company's wholly owned subsidiary, Industrial Cellulose Research Ltd.

At the Gatineau newsprint mill, about five miles below Ottawa on the Ottawa River, the company has capacity for producing about 200 tons daily of bleached sulphite pulp (61,800 tons on a 309-day basis).

Some bleached sulphite is used by paper mills of the parent company, International Paper Co., in the northern United States. Outside sales are all made under contract, with over 70% going to the U. S.

For the main coverage on the Canadian International Paper Co., see section under newsprint companies.

Columbia Cellulose

Columbia Cellulose Co. is a subsidiary of Canadian Chemical & Cellulose Co., a holding company formed last year to control all Canadian operations of Celanese Corp. of America. Manufacturing operations of Columbia Cellulose began in April, 1951, at a new $27 million mill on Watson Island just south of Prince Rupert, B.C. Initial annual output was about 70,000 tons a year of high alpha pulp. Productive capacity of 200 tons daily will be increased to 300 tons on completion of the current expansion program.

Financial statistics are consolidated with those of Canadian Chemical & Cellulose Co. which had a net loss in 1952 of $2,134,689. This compares with the net loss of $1,338,005 in 1951.

Columbia Cellulose was handicapped during 1952 by serious failures in the digesters of its mill. Only three of the five units were generally in operation at any one time during the year. It is stated, however, that by the end of December, 1952, all five were in full operation and that quality of the pulp steadily improved. Difficulty was also experienced in developing a log supply for the mill — a condition aggravated by a logger strike.

"We now believe that the initial difficulties that were encountered in bringing the dissolving pulp mill into operation have been surmounted," President Harold Blancke said in his annual report in March, 1953.

The company's mill production of high alpha pulp is used for the manufacture of cellulose acetate textile fibres and plastics in the plants of Celanese Corp. of America. The parent company has contracted to buy the full production of the new mill up to an average of 200 tons of high alpha pulp per working day in each calendar quarter up to September 30, 1969, at a price not lower than $132 per ton f.o.b the mill. In addition, Celanese Corp. has the exclusive right to purchase any excess production, but the company may sell the surplus elsewhere.

The Government of British Columbia has made available to the company a sufficient forest area to maintain the anticipated pulp mill capacity in perpetuity. The tract, north of the mill location, was the first forest management license of its kind to be granted. Forest area is ranged along the Skeena and Naas watersheds with 50% of the growth being hemlock trees.

The company holds a productive area of approximately 660,000 acres with the assurance that if it is shown that this area will not support a 300 tons per day plant capacity, additional timber will be added to the license.

Cons. Paper

Consolidated Paper Corp. as well as being one of Canada's largest producers of newsprint and pulp and paper products, also makes a substantial amount of kraft and sulphite pulp.

Annual capacity for producing pulp for sale totals about 24,024 tons of kraft and 40,348 tons of sulphite. The surplus kraft capacity, 78 tons daily, is located at the company's Wayagamack division. The Laurentide division at Grand'Mere, Que., can produce 62 tons of sulphite pulp, and the Port Alfred division at Port Alfred, Que., 69 tons of sulphite pulp, daily for sale.

In his 1952 report the president George M. Hobart states that the demand for pulp was drastically reduced in volume and price during the year. The total pulp and paper production of the company in 1952 was 829,676 tons. This compared with 829,893 tons in 1951.

For a further report on Consolidated see Newsprint Companies.

Donnacona

Donnacona Paper Co., in addition to its large newsprint and insulating board operations, produces a substantial amount of sulphite pulp at its Donnacona Quebec mill. Annual production for 1952 averaged only 80% of capacity because of the "big reversal" in the pulp market.

Fraser Cos.

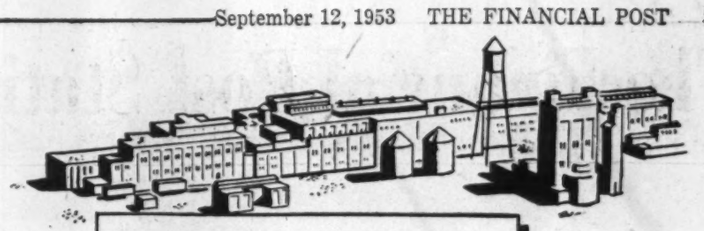
Fraser Companies Ltd., as well as its large paper and paperboard operations, turns out a substantial amount of pulp for sale, both directly and through one of its subsidiaries — Restigouche Co.

The company has a capacity of about 110 tons at its Edmundston, N.B., mill. The production is all bleached sulphate and about 50% is sold. At the Atholville, N.B., mill of its subsidiary, the Restigouche Co.'s daily capacity is from 195-260 tons of bleached sulphite for use in paper making and dissolving pulp for manufacturing rayon, Cellophane and plastics.

Most of the output of the 150-tons daily capacity unbleached sulphate mill at Newcastle, N.B., is sent to Edmundston for bleaching, although some is sold in unbleached form.

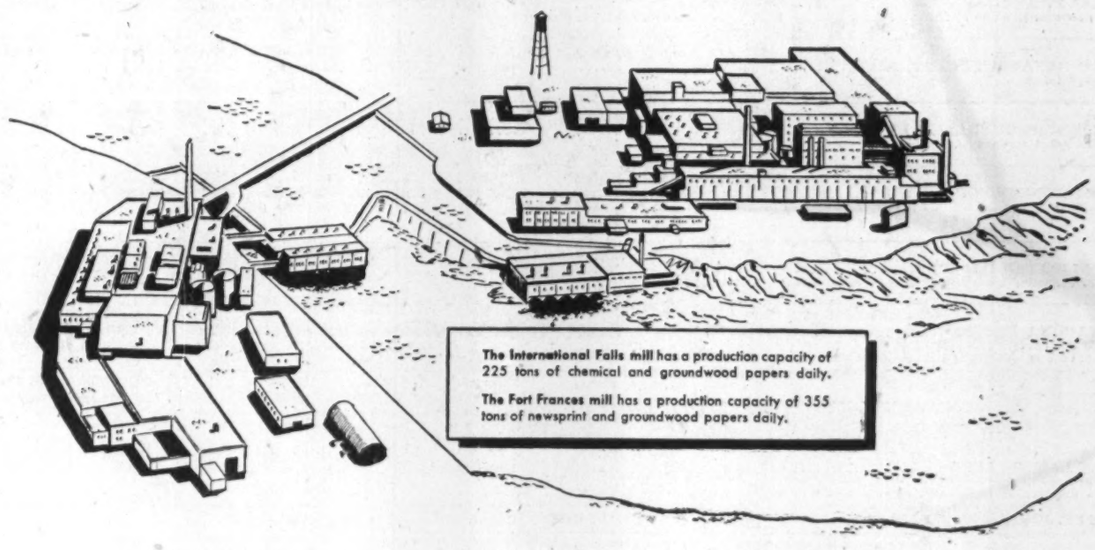
President Aubrey Crabtree stated that during 1952 the demand for all grades of pulp declined appreciably, particularly during the last half of the year. This resulted in curtailment of opera-

(Continued on page 58)



The Kenora mill located on Lake of the Woods has a production capacity of 370 tons of newsprint daily.

Geared for diversification



The International Falls mill has a production capacity of 225 tons of chemical and groundwood papers daily.

The Fort Frances mill has a production capacity of 355 tons of newsprint and groundwood papers daily.

● The Minnesota and Ontario Paper Company's production facilities enable it to manufacture a variety of pulp types from which many different papers are made. Because of its diversification, M and O serves hundreds of publishing, printing and converting customers in the heart of the continent. More than $35 million have been expended by M and O during recent years to improve, modernize and develop its facilities at Kenora and Fort Frances, Ontario, and International Falls, Minnesota. This program enables M and O to serve its customers better, to provide opportunities for its employees and to provide a fair return to its shareholders.

MINNESOTA AND ONTARIO PAPER COMPANY
THE ONTARIO-MINNESOTA PULP AND PAPER COMPANY LIMITED
MILLS AT KENORA AND FORT FRANCES, ONTARIO

Here's what makes the TD-24 YOUR BEST BUY!

Power, speed, dependability, easy handling, ready service facilities — these features decide the purchase of a heavy crawler. There's only one crawler on the market that has all these features in full measure — the TD-24!

PLANET POWER STEERING — exclusive feature makes gradual, feathered or pivot turns easier than ever before. Permits power on both tracks on gradual turns.

FINGERTIP CONTROL — hydraulic steering control is a cinch. The Planet Power "high-low" shift gives an instant shift up or down one gear. Easier, faster operation means more income for you.

EASY ON-THE-GO SHIFTING — synchronizing action in TD-24 transmission means easy shifting on-the-go. There's no gear clashing or danger of chipped gear hubs.

LOTS OF SPEED — eight forward and reverse speeds up to 7.8 m.p.h. make the TD-24 one of the fastest on the job. You get faster cycles on scraper-loading.

HERE'S WHY

POWER — the TD-24 is the world's most powerful crawler — 180 horsepower at your service.
SPEED — eight speeds in both forward and reverse up to 7.8 m.p.h. — an unequalled ratio of speed to drawbar pull.
DEPENDABILITY — it's getting the job done that pays — case histories of long trouble-free service are yours upon request.
EASY HANDLING — an entirely new hydraulic control system — Planet Power Steering makes the TD-24 the easiest to handle. Planetary gears allow turns with power on both tracks through fingertip control.
SERVICING — all across the Dominion you are close to International service facilities. Factory trained personnel, modern equipment and field service trucks will keep your International on the job. International parts are always available.

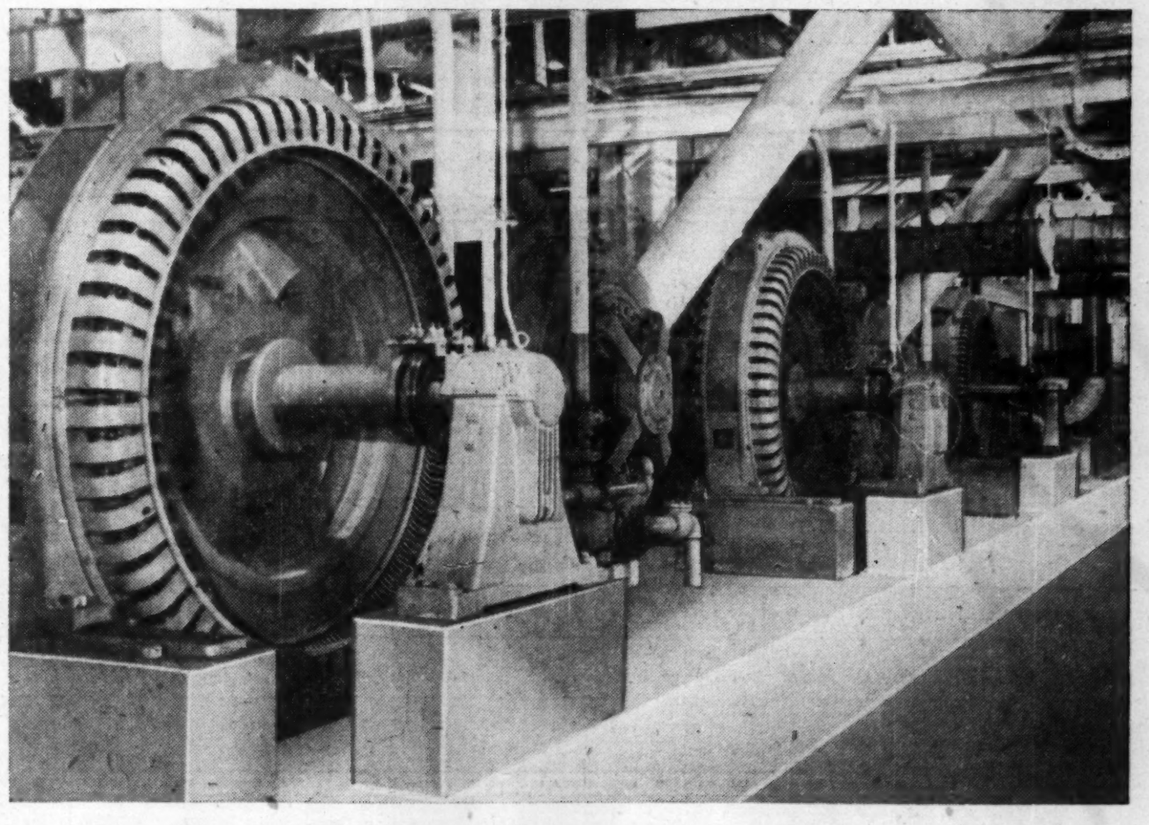
The International TD-24 can not be matched on these important considerations. Your International Industrial Power Distributor will be glad to give you more detailed information and demonstrate the world's most modern and economical crawler — the mighty International TD-24.

35-305

INTERNATIONAL HARVESTER COMPANY OF CANADA LIMITED
HAMILTON, ONTARIO

INTERNATIONAL POWER THAT PAYS

SYNCHRONOUS MOTORS



Liberal use of materials, rugged construction and high efficiency are distinguishing features of English Electric synchronous motors. They are built with either welded steel or cast iron frames, depending on rating. An illustration of the adaptability of fabricated frames is provided above, showing English Electric synchronous motors with mounting dimensions made to match other machines installed earlier.

English Electric synchronous machines are made in Canada, together with all kinds of generators, condensers, exciters, controls and starting equipment. Engineers in district offices across Canada are available to study your particular application problems.

'ENGLISH ELECTRIC'

The Financial Post Statistical Record of Major Pulp and Paper Companies

Newsprint Group

Company	Year	Wood Resources cords or Sq. Miles	Mill Capacity Annual Tons	Funded Debt $	Net Earn. $	Deprec. $	Times Int. Earned After Deprec. No.	Income Taxes $	Net Profit $	Earnings per Share Pref. $	Earnings per Share Com. $	Dividends Paid or Pay. Pref. $	Dividends Paid or Pay. Com. $	Surplus for Year $	Working Capital $	DIRECTORS
ABITIBI POWER & PAPER§ ..... †On new capitalization after 3-for-1 stock split April, 1951.	1952	30,000	720,720	38,149,000	29,361,598	♦6,419,055	15.27	12,272,000	9,097,759	8.66	†2.02	1.50	1.00	3,797,033	28,876,445	D. W. Ambridge, pres. and gen. mgr.; W. H. Smith, vice-pres.; Allan Graydon, C. L. Gundy, J. S. D. Tory, E. W. Bickle; Toronto; R. H. Reid, London, Ont.; H. J. Carmichael, St. Catharines; T. R. McLagan, Hon. Edouard Asselin, Montreal; J. P. Ripley, New York. Vice-pres.—R. J. Askin, C. B. Davis, A. P. Jewett. Treas.—W. S. Rothwell. Sec.—L. B. Popham.
	1951	sq. mi.	.....	40,788,500	37,786,036	♦6,193,932	22.25	16,745,000	12,997,877	12.37	†3.07	1.50	0.75+*0.75	7,697,400	26,403,179	
ANGLO-CANADIAN PULP & PAPER• ..... †Secured loans.	1952	3,150	235,000	†727,266	6,792,176	2,295,058	....	2,344,564	2,152,554	....	2.05	....	2.00	52,554	9,632,898	R. C. McMichael, chm., Montreal; E. M. Little, pres., Quebec, P.Q.; W. J. Clarke, vice-pres.; G. H. Bridge, treas.; W. E. Soles, Quebec, P.Q.; W. H. Howard, Westmount, P.Q.; The Viscount Rothermere, C. H. King, London, Eng.; James Cooke, Surrey, Eng.; A. S. Fuller, London, Eng.; J. F. E. Coope, W. J. Creagh, P. G. Walker. Sec.—H. D. Ruthman.
	1951	sq. mi.	.....	†421,457	10,209,613	1,544,511	....	4,418,968	4,246,134	....	4.04	....	2.30	1,831,134	9,616,783	
ANGLO-NEWFOUNDLAND DEV. CO.• .... †Consolidated statements.	†1952	7,500	230,000	.....	9,849,217	♦2,193,619	....	3,307,000	4,348,593	....	0.79	....	0.60	1,049,549	20,355,823	F. J. Humphrey, chm., Ridgewood, N.J.; E. M. Little, pres., Quebec, P.Q.; Philip Gruchy, vice-pres. and gen. mgr.; J. S. Goodyear, vice-pres. and sec.-treas., Grand Falls, Nfld.; R. C. McMichael, W. H. Howard, B. C. Gardner, Montreal; The ViscountRothermere, The Viscount Errington, A. S. Fuller, London, Eng.; E. A. Sursham, Markyate, Herts, Eng.; Grenville Beckett, Redhill, Surrey, Eng.
	†1951	sq. mi.	.....	.....	16,828,680	♦1,760,259	....	6,841,039	8,227,382	....	1.50	....	0.60	4,928,332	23,112,601	
BOWATER'S-NEWFOUNDLAND• ..... Controlled by The Bowater Corp. of North America Ltd.	*1952	11,000	300,000	18,832,006	12,755,258	♦3,074,632	14.17	4,380,000	4,617,474	1.85	0.86	4½%	8%	3,228,099	24,071,028	Sir Eric V. Bowater, pres., London, Eng.; G. S. Currie, 1st vice-pres., Montreal; H. M. S. Lewin, vice-pres & gen. mgr., Cornerbrook, Nfld.; A. B. Meyer, vice-pres., Greenwich, Conn.; G. H. Carson, dir. of operations; J. G. Wyllie, controller & sec., Cornerbrook, Nfld.; C. G. Heward, Montreal; W. A. Reid, Hon. L. R. Curtis, G. A. Winter, St. John's, Nfld.; Sir John Keeling, London, Eng.; A. Brackenridge, New York.
	*1951	sq. mi.	.....	22,372,839	11,304,119	♦3,057,170	10.82	3,415,000	4,069,829	1.63	0.93	4½%	8%	2,795,079	21,759,398	
		*Year ended Sept. 30.														
CONSOLIDATED PAPER§ ..... *After deducting bond sinking fund payment due Mar. 1 following year.	1952	17,927	729,763	*11,356,000	28,905,981	5,008,744	54.11	13,120,000	10,337,981	....	4.03	....	1.50+0.75	4,564,165	45,981,964	L. J. Belnap*, chm.; G. M. Hobart*, pres.; Francois Faure, vice-pres.; N. J. Dawes*, W. H. Howard, G. M. Todd, R. H. McMaster*, E. A. Macnutt*, C. F. Sise, Hon. C. A. Dunning*; Montreal; H. D. L. Gordon, Toronto. Vice-pres. & compt.—George Henderson. Vice-pres. i/c mfg.—Richard Collins. Sec.—G. W. Hodgson. Treas.—D. L. Adams. *Member exec. comm.
	1951	sq. mi.	.....	*15,161,500	33,584,127	4,850,073	49.83	15,250,000	12,905,574	....	5.03	....	1.50+0.75	7,131,913	43,243,357	
DONNACONA PAPER• ..... *24,260 shs. redeemed Dec. 15, 1950; remaining 740 shs. converted into 2,960 common shs. Note—91.9% of outstanding shares owned by Howard Smith Paper Mills Ltd.	1952	1,611	100,000	5,330,000	3,522,232	♦891,403	13.37	1,295,919	1,138,122	....	3.00	....	†1.25	663,707	5,081,141	Harold Crabtree, chm., Montreal; L. W. Michael, pres & treas.; L. A. Palmer, vice-pres. & mill mgr., Donnacona, P.Q.; E. Howard Smith, vice-pres.; Hon. G. B. Foster; Montreal; J. Edouard Simard, Sorel, P.Q.; R. P. Kernan, Quebec, P.Q.; Aubrey Crabtree, Edmundston, N.B.; A. J. Philip. Sec.—P. L. Fitzgerald.
	1951	sq. mi.	.....	5,525,000	5,506,195	♦1,334,975	19.84	2,316,011	1,844,965	*	4.33	....	1.00	1,265,433	5,212,466	
					†Including 25 cents for quarter ended Dec. 31, 1952; dividends now paid quarterly.											
DONOHUE BROS.• ..... ‡Long term indebtedness replaced early in 1952 by issue of bonds totaling $3,500,000.	1952	557	63,000	3,270,000	1,745,442	298,692	....	702,825	585,394	....	1.95	....	1.20	225,394	3,273,563	Chas. Donohue, chm.; G. T. Donohue, pres.; Mark Donohue, vice-pres.; A. E. Beauvais, sec.; Maj. P. M. A. Simard, asst. to pres.; Lt.-Col. L. J. A. Amyot; Quebec, P.Q.; J. D. Coffin, New York.
	1951	sq. mi.	.....	‡1,787,957	2,206,123	247,433	....	1,001,251	905,286	....	†(3.02)	....	*1.00+1.00	605,286	2,862,244	
		†On new capital stock after 2-for-1 split approved in Dec., 1951.							*On old stock.							
GREAT LAKES PAPER• ..... *On new stock after 3-for-1 split approved by shareholders June 29, 1951. †Does not include write-down of investments by $3,656 in 1952 and $100,125 in 1951.	1952	3,500	154,616	3,583,000	7,229,970	♦1,409,729	40.46	3,020,000	‡2,656,377	A & B 16.04	1.98	A & B ♦	1.60	452,105	8,716,919	Hon. W. E. Rowe, pres. and man. dir.; W. C. Cochrane, vice-pres.; J. E. Gefaell, vice-pres. i/c sales; Charles England, asst. to pres. & sec.-treas.; H. G. Meech, Col. M. C. G. Meighen; Toronto; Hon. Ray Lawson, Oakville, Ont.; Joseph Horner, Jr.*, Green Bay, Wis.; P. M. Fox, C. B. McDowell. Vice-pres. i/c prod.—C. A. Michels. Asst. sec.-treas. & compt.—F. K. Carlisle. *Representing publishers.
	1951	sq. mi.	.....	4,060,000	11,755,328	♦1,563,472	36.59	5,300,000	♦4,734,494	27.99	*3.68	♦	‡	2,499,266	8,283,531	
		♦Paid $2.50 per cl. A and $1.20 per cl. B in both years.							‡Paid $1.35 per old sh. and $1.15 per new sh.				*On old stock.			
LAKE ST. JOHN PWR. & PAPER§ ..... —Absorbed by St. Lawrence Corporation Ltd. (which see) early in 1952.																
JAMES MACLAREN CO.• ..... Wholly owned by Maclaren Power & Paper Co.	†1952	2,647	115,000	.....	5,301,178	678,171	....	2,385,000	2,238,007	....	....	....	....	.....	.....	A. Barnet Maclaren, pres., Ottawa; A. Roy MacLaren, vice-pres; H. W. Cressy, mgr.; J. A. Bryant, sec; Buckingham, P.Q.; C. H. Maclaren, Ottawa.
	*1951	sq. mi.	.....	.....	5,130,265	486,814	....	2,350,000	2,293,451	....	....	....	....	.....	.....	
		*Year ended Nov. 30.	†13 mo. period.													
MERSEY PAPER CO.• ..... *Consolidated. †After depletion. ††On new 5% preferred; in addition Co. paid $2.25 on old 4½% preferred. ♦In addition, in 1952, Co. paid stk. divd. of one 5% pref. sh. for each 33⅓ common shs. held; in 1951, one 4½% pref. sh. for each 20 common shs. held.	1952	3,400,000	135,000	800,000	°5,635,214	345,133	90.23	2,689,455	2,534,246	41.32	11.28	††2.50	♦1.00	2,038,891	3,289,525	J. McG. Stewart, chm., Halifax, N.S.; B. J. Waters, pres. & gen. mgr.; J. H. M. Jones and R. L. Seaborne, vice-pres's, Liverpool, N.S.; George Killam, Yarmouth, N.S.; J. C. MacKeen, Halifax. Sec. & treas.—J. A. Parker.
	1951	cords	.....	1,000,000	°5,914,387	414,991	108.36	2,725,321	2,723,325	39.25	12.16	4.50	♦3.00	1,816,308	3,283,259	
		°Consolidated.	°After depletion.													
MINNESOTA & ONTARIO PAPER§	1952	10,000	203,000	6,000,000	14,109,511	♦2,781,137	59.29	5,920,000	5,218,263	....	4.06	....	2.00	2,645,484	20,067,764	J. B. Faegre*, pres.; C. T. McMurray*, sr. vice-pres.; Robert Faegre, exec. vice-pres.; T. L. Daniels*, St. Paul; C. T. Jaffray*, W. H. Sweatt*, D. F. Bull*, Minneapolis; Serge Semenenko, Boston; C. S. Garland, Baltimore, Md.; C. G. Cockshutt, Brantford, Ont.; R. S. Waldie*, Toronto. Vice-pres's—C. Larson, R. D. Main. Sec. & treas.—H. A. Hull. Compt.—E. A. Johnston. *Member executive committee.
	1951	sq. mi.	193,000	1,947,000	15,106,616	♦2,571,272	186.24	7,035,600	5,432,438	....	4.22	....	2.00	2,860,363	15,384,591	
PACIFIC MILLS§ ..... Controlling interest held by Crown Zellerbach Corp. of United States.	*1953	432	87,000	.....	8,347,125	♦2,087,431	....	3,212,245	‡3,120,344	156.10	4.00	6.00	2.00	1,500,410	8,790,904	P. E. Cooper*, pres.; J. A. Young* 1st vice-pres.; H. C. Pim*, vice-pres. (sales); Hon. E. W. Hamber, M. D. Hamilton, J. H. Lawson, W. E. Wintemute. Vice-pres. (woodlands)—O. D. Hallin. Vice-pres.—R. R. Edwards. Treas.—G. J. C. Hodson. Sec.—O. F. Lundell. Asst. sec.—A. A. McLennan. *Member exec. comm.
	*1952	sq. mi.	.....	.....	9,843,332	♦1,817,909	....	4,014,876	‡4,035,431	201.88	5.22	6.00	2.00	2,415,497	8,493,334	
		*Year ended April 30.			‡Including profit on asset and secs. sale amounting to $72,895 in 1952, $24,884 in 1951.											
POWELL RIVER§ ..... †Including profit on sale of fixed assets amounting to $49,542 in 1952 and $16,169 in 1951; and after crediting res. of $500,000 in 1951.	1952	740	340,000	.....	20,276,460	♦4,112,526	....	8,148,000	†7,942,393	....	1.89	....	.....	3,112,393	9,557,010	H. S. Foley, pres.; M. J. Foley, exec. vice-pres.; G. W. O'Brien, vice-pres.; J. H. Lawson, sec.; A. H. Williamson, W. S. Brooks, C. Wallace, H. F. G. Letson; Vancouver; Edward Brooks, Anson Brooks, Minneapolis, Minn.; R. H. Scanlon, San Francisco. J. G. Sample, Chicago. Vice-pres's—I. H. Andrews, J. E. Leirsch, J. A. Kyles. Vice-pres. & res. mgr.—R. M. Cooper. Compt.—H. J. Burns.
	1951	sq. mi.	.....	.....	23,289,843	♦3,497,126	....	10,030,000	†9,180,479	....	‡2.19	....	1.00+0.15	2,962,568	9,407,167	
								‡On new stock.	♦Paid 25c plus 35c on new stock and $2.00 plus 75c on old stock.							
PRICE BROS. & CO.§	1952	7,696	470,000	6,835,000	17,084,348	♦3,195,000	62.96	7,500,000	6,055,588	121.11	2.67	4.00	2.00	1,472,732	31,462,292	H. J. Symington, chm., Montreal; A. C. Price, pres., Quebec, P.Q.; A. A. Aitken, vice-pres.; J. D. Johnson, W. A. Arbuckle; Montreal; M. R. Kane, A. C. Picard, A. C. M. Thomson, Quebec, P.Q.; Sir Keith Price, London, Eng. Exec. vice-pres.—Hector Cimon. Vice-pres. i/c woodlands—R. S. Armitage. Vice-pres. & treas.—P. W. Sims. Vice-pres. i/c mfg.—J. Edwards. Sec.—F. Surveyer.
	1951	sq. mi.	.....	6,835,000	21,427,220	♦2,642,000	77.73	9,975,000	8,568,558	171.37	3.82	4.00	1.75	4,533,559	38,085,959	
ST. LAWRENCE PAPER MILLS ..... —Absorbed by St. Lawrence Corporation Ltd. (which see) early in 1952.																
ST. LAWRENCE CORP.§ ..... *Consolidated statement. †After deducting dividends paid on pref. stocks (all redeemed during 1951) and minority interest only; notincluding pref. s.f. previously deducted. ♦After cost of shs. redeemed of $4,336,039.	*1952	9,091	530,675	30,950,773	17,470,596	♦2,415,282	11.59	7,499,846	6,210,511	....	5.63	....	2.00	4,005,081	30,414,469	M. W. McCutcheon, chm., Toronto; P. M. Fox, pres.; N. A. Timmins, Jr., vice-pres.; Hon. Edouard Asselin, A. K. Cameron, A. H. Campbell, J. E. L. Duquet, H. C. Flood; Hon. G. B. Foster, J. I. Rankin; Montreal; Robert Fennell, J. A. McDougald, E. P. Taylor. Toronto; Hugh Mackay, Rothesay, N.B.; D. J. Salls, Sherbrooke, P.Q.; Nathan Pitcairn, Philadelphia, Pa.; Arthur Ross, New York. Vice-pres. & gen. mgr.—S. E. Williams. Vice-pres's—E. P. Wilson, J. W. Fries. Compt. & sec.-treas.—L. A. Tucker.
	*1951	8,917	365,000	11,491,023	22,027,561	♦1,517,060	34.28	10,664,719	9,247,477	....	†7.90	*1.50	1.00	•2,526,975	13,352,223	
												*Old first pref. only.				

‡Including depletion. dDeficit. •Also produces sulphite pulp. §Also produces pulp, kraft and other wood products. ▲Also produces groundwood pulp.

Fine and Specialty Paper Group

Company	Year	Wood Resources cords or Sq. Miles	Mill Capacity Annual Tons	Funded Debt $	Net Earn. $	Deprec. $	Times Int. Earned After Deprec. No.	Income Taxes $	Net Profit $	Earnings per Share Pref. $	Earnings per Share Com. $	Dividends Paid or Pay. Pref. $	Dividends Paid or Pay. Com. $	Surplus for Year $	Working Capital $	DIRECTORS
EDDY PAPER CO.§ ..... †After inventory reserve of $212,528.	1952	5,800	150,000	8,759,800	3,541,002	♦1,521,015	6.50	927,000	782,184	3.91	2.91	1.00	nil	582,184	7,066,931	W. Garfield Weston, chm.; R. A. Robertson, pres.; A. Welch, vice-pres. & gen. mgr., W. S. Kidd, Ottawa; H. J. Coon, C. L. Gundy, H. W. Lofft, Toronto; J. A. Craig, Victoria, B.C. Vice-pres.—J. F. Taylor. Sec.-treas.—R. F. Caldwell.
	1951	sq. mi.	.....	5,190,430	4,933,030	♦1,238,121	16.97	1,843,000	†1,406,694	7.03	6.03	1.00	nil	1,206,694	4,952,753	
PROVINCIAL PAPER•	All accounts consolidated with those of Abitibi Power & Paper Co., Ltd.															
ROLLAND PAPER	1952	....	25,000	1,375,000	921,759	275,828	11.74	325,000	265,831	15.64	3.23	4.25	0.80	145,580	1,813,827	L. G. Rolland, pres. & gen. mgr.; J. A. Weldon, vice-pres.-fin.; R. H. Ecclestone, vice-pres. & sales dir., Montreal; Marc Rolland, vice-pres. & mills mgr.; Olivier Rolland, Albert Rolland, Mt. Rolland, P.Q.; Alderic Laurendeau, Montreal; Hugh Mackay, Rothesay, N.B.; J. Y. Murdoch, K. S. Maclachlan; Toronto. Treas.—H. A. Leblanc. Sec.—J. P. Lefebvre.
	1951	....	25,000	1,450,000	1,151,222	317,648	14.56	438,000	338,324	19.90	4.43	4.25	0.60+0.25	215,073	1,651,213	
HOWARD SMITH PAPER§ ..... ‡Paid 25c per new and $2.25 per old share.	1952	3,300	142,400	21,380,000	14,052,828	♦4,241,107	12.47	4,950,000	.....	23.92	2.05	2.00	1.00	2,059,222	21,841,945	Harold Crabtree, chm.; E. Howard Smith, pres.; E. K. Robinson, exec. vice-pres.; G. H. Tomlinson, vice-pres.; G. W. Bourke, deGaspe Beaubien, W. A. Arbuckle, Howard Murray, J. D. Johnson, Col. R. D. Harkness, W. H. Howard, H. Roy Crabtree, Montreal; E. G. Burton, A. E. H. Fair, Toronto. Sec. & treas.—K. G. Pendock. Controller—J. R. Leslie.
	1951	sq. mi.	.....	17,300,000	15,182,010	♦3,639,076	24.90	6,050,000	4,914,725	30.72	2.87		‡	3,445,844	13,479,044	
WESTMINSTER PAPER ..... *Year ended Jan. 31.	*1952	....	30,000	1,320,000	1,736,309	403,461	24.02	660,000	614,657	A 6.58	B 1.85	A 0.50	B 0.47½+0.05	407,152	1,739,404	J. J. Herb, chm.; Bellingham, Wash.; E. M. Herb, pres. & man. dir., Vancouver, B.C.; F. J. Herb, vice-pres., Bellingham, Wash.; F. F. Foote, sec.-treas.; J. G. Robson; New Westminster; A. D. Lauder, R. L. Cliff, C. Bentall, Vancouver.
	*1952	....	.....	1,320,000	1,619,110	306,414	51.10	655,000	626,741	6.27	1.92	0.50	0.35	471,741	1,480,096	
		‡Also mfrs. pulp products and by-products.	♦Including depletion.		▲Also produces groundwood and sulphite pulp.		dDeficit.									

Pulp Group

Company	Year	Wood Resources cords or Sq. Miles	Mill Capacity Annual Tons	Funded Debt $	Net Earn. $	Deprec. $	Times Int. Earned After Deprec. No.	Income Taxes $	Net Profit $	Earnings per Share Pref. $	Earnings per Share Com. $	Dividends Paid or Pay. Pref. $	Dividends Paid or Pay. Com. $	Surplus for Year $	Working Capital $	DIRECTORS
ALASKA PINE & CELLULOSE ..... (Formerly B. C. Pulp & Paper) ‡Millions of board feet. †Based throughout on 16,500 5% pref. shs. and 100,000 com. shs. outstanding at Dec. 31, 1952.	1952	‡8,000	150,000	12,934,000	7,198,092	♦3,449,243	6.09	1,930,000	1,110,052	†67.28	†10.28	5.00	nil	1,027,552	8,020,317	D. W. Ambridge, chm., Toronto; W. C. Koerner, pres.; L. J. Koerner, L. J. Ladner, Leslie Clemmson, T. E. Ladner; Vancouver; J. S. D. Tory, Toronto; J. P. Ripley, New York. Gen. mgr.—P. E. Roberts. Sec.—G. L. Drasseke. Compt.—R. R. Keay.
	1951	....	.....	13,607,000	16,072,368	♦3,450,726	25.11	6,714,444	5,384,732	†326.35	†53.02	5.00	30.25	1,355,262	7,691,182	
BATHURST POWER & PAPER‡ ..... *All products. ♦Increased in April, 1953, by issue of $6,000,000 3¼% debentures, ser. A, due April 1, 1973. ‡Before (†After) participation; cl. A, earned $3.42 in 1952 and $4.00 (Maximum available) after participation in 1952 and 1951.	1952	2,700	*182,000	•3,125,000	5,555,028	♦1,053,059	38.35	2,550,000	1,825,895	A ♦4.56	B †1.42	A 2.00+1.00	B 1.00	300,895	7,138,826	R. L. Weldon, pres.; P. A. Thomson, vice-pres.; Montreal; J. G. Chalmers, Bathurst, N.B.; Joseph A. Simard, A. J. Nesbitt, J. B. Woodyatt; Montreal; R. G. Ivey, London, Ont.; Hon. G. P. Burchill, Nelson, N.B.; E. M. Little, Quebec, P.Q. Sec. & treas.—R. H. Christian.
	1951	sq. mi.	.....	3,225,000	8,649,848	♦933,911	63.59	4,100,000	3,485,927	‡8.71	‡5.80	3.00+0.50	1.50	1,598,427	6,794,827	
BROMPTON PULP & PAPER§ ..... —Absorbed by St. Lawrence Corporation Ltd. (which see) early in 1952.																
BROWN COMPANY•• ..... *Brown Co. and Brown Corp. †Based on earnings available for bond interest in accordance with trust deed. ‡5% pref. only. ♦Also paid $3 on old 6% pref.	1952	*4,851	*340,000	13,600,000	11,008,183	♦2,818,558	†15.97	3,280,000	4,396,967	‡30.65	1.69	‡•5.00	nil	3,369,027	17,818,787	L. F. Whittemore, chm. & pres., Pembroke, N.H.; E. H. Maling; vice-chm., Kennebunkport, Me.; E. M. Hopkins, Hanover, N.H.; O. B. Brown, Berlin, N.H.; J. B. Challies, A. D. Emery, G. B. Gordon, Montreal; J. L. Sullivan, Washington, D.C.; Gene Tunney, W. R. Joyce, New York, N.Y.; Hon. C. P. McTague, A. G. Walwyn, E. E. Johnson; Toronto. Vice-pres.—H. G. Schanche, D. P. Brown, C. S. Herr. Vice-pres. & treas.—H. G. Brush. Vice-pres., gen. counsel & sec.—J. W. Jordan. Controller—W. J. Oleson, Jr.
	1951	sq. mi.	.....	14,400,000	20,264,187	♦2,574,647	‡33.23	9,585,000	7,430,040	‡51.79	3.17	‡5.00	nil	6,324,070	17,385,656	
		*Brown Co. and Brown Corp.	†Based on earnings available for bond interest in accordance with trust deed.			‡5% pref. only.		♦Also paid $3 on old 6% pref.								
DRYDEN PAPER•• ..... *Year ended Sept. 30. †After deducting sinking fund payments, totaling $130,000, due May 1 and June 1, 1953.	*1952	2,268	60,000	†4,800,000	3,347,837	♦761,115	12.41	1,280,000	1,098,285	....	5.36	....	1.60+0.40	688,285	5,933,270	E. L. Goodall, pres. & gen. mgr., Port Arthur, Ont.; H. J. Humphrey, vice-pres.; R. R. McLernon, asst. sec.; P. A. Thomson, J. B. Woodyatt, E. R. Parkins, J. R. S. McLernon, J. H. Bonar; Montreal; E. M. Little, Quebec, P.Q. Treas.—David Young. Sec.—J. B. Davison.
	*1951	sq.mi.	.....	2,700,000	3,443,322	♦707,564	24.21	1,386,000	1,236,758	....	6.03	....	1.60+0.40	826,758	3,736,045	
		*Year ended Sept. 30.	†After deducting sinking fund payments, totaling $130,000, due May 1 and June 1, 1953.													
FRASER COS.• ..... ‡Before 3-for-1 split authorized by SLP Apr. 23, 1952. †On new stock. *On new stock; also paid 75 cents on old stock.	1952	5,581	231,000	4,900,000	12,806,520	♦3,169,923	64.78	5,199,000	3,455,575	242.65	†1.52	4.75	*0.75	1,161,979	10,378,322	Harold Crabtree*, chm., Montreal; Aubrey Crabtree*, pres. and gen. mgr.; L. M. Sherwood*, vice-pres. and controller; Edmundston, N.B.; A. H. Campbell, Hon. F. P. Brais, C. M. Matheson, H. P. Thornhill*, Montreal; S. F. Duncan*, Toronto; G. E. Barbour, Hon. D. L. MacLaren, Saint John, N.B. Sec.—G. G. Gillies. Treas.—H. H. Henderson. *Member executive committee.
	1951	sq. mi.	.....	5,250,000	18,333,623	♦3,376,460	94.97	8,366,000	5,433,633	380.56	‡7.20	4.75	2.25+1.00	2,930,631	9,512,936	
MINAS BASIN PULP & POWER†† ..... †After deducting contingency reserve of $400,000 in 1951.	1952	398	35,000	2,045,000	793,140	213,635	6.87	221,351	273,770	....	16.10	....	3.00	222,770	1,857,726	D. W. Murray, chm.; R. A. Jodrey, pres.; J. J. Jodrey, vice-pres. & man. dir.; G. H. Nichols, treas.; L. G. Bishop, asst. sec. & asst. treas.; B. R. Alexander; Hantsport, N.S.; G. A. Chase, L. B. Chase, Port Williams, N.S.; F. M. Covert, F. C. Manning, R. W. Harris, Halifax; Judge K. L. Crowell, Bridgetown, N.S.; D. S. Henniger, Berwick, N.S.; Hon. C. G. Hawkins, Milford Station, N.S.; C. F. Wyman, Portneuf, P.Q. Sec.—G. A. Bent.
	1951	sq. mi.	.....	1,740,000	1,581,916	193,129	19.54	577,644	†340,055	....	20.00	....	3.00	289,055	1,572,093	
		♦Including depletion.	††Also produces paperboard.		••Also produces kraft, manila and building papers, bags, etc.			‡Also produces kraft, building, specialty and newsprint papers.		▲Also produces bond and specialty papers and lumber produced.		♦Also produces kraft box and container boards.				

Miscellaneous Group

Company	Year	Wood Resources cords or Sq. Miles	Mill Capacity Annual Tons	Funded Debt $	Net Earn. $	Deprec. $	Times Int. Earned After Deprec. No.	Income Taxes $	Net Profit $	Earnings per Share Pref. $	Earnings per Share Com. $	Dividends Paid or Pay. Pref. $	Dividends Paid or Pay. Com. $	Surplus for Year $	Working Capital $	DIRECTORS
BARBER-ELLIS OF CANADA	1952	....	.....	.....	564,114	87,995	....	225,300	243,551	202.96	5.44	3.50	2.50	129,351	1,172,021	E. H. Ellis, pres., Toronto; C. G. Ellis, chm. & vice-pres., Brantford; K. W. Murphy, gen. mgr.; Harold Holt, sec.-treas.; Toronto; J. S. Ellis, Montreal; J. W. Westaway, T. A. Thornton, Toronto; A. E. Nelson, Winnipeg; Vernon Stott, Vancouver.
	1951	....	.....	.....	629,392	94,488	71.31	287,000	240,304	200.25	5.37	3.50	2.50+1.00	82,104	1,004,017	
BUILDING PRODUCTS ..... †Including profit of $20,693 in 1952 and $8,141 in 1951, profit on sale of fixed assets and investments.	*1952	....	.....	250,000	3,725,816	473,663	....	1,700,000	†1,564,101	....	3.24	....	1.80	694,010	6,157,489	W. R. McNeil, chm.; L. S. Odell, pres. and man. dir.; L. F. Long, exec. vice-pres.; J. D. Johnson, G. W. Huggett, J. A. Eccles; Montreal; H. R. Tudhope, Toronto; Joseph Harris, Winnipeg; P. R. Allen, East Walpole, Mass. Vice-pres's—S. M. Barclay, C. E. Turner, H. E. Pringle. Sec.-treas.—W. P. Carr.
	*1951	....	.....	375,000	3,565,586	496,029	....	1,560,000	†1,502,516	....	3.11	....	1.80	632,425	5,614,376	
CANADIAN WALLPAPER ..... *Year ended April 30. †Loss or deficit. ‡Credit.	*1953	....	.....	260,000	†8,009	158,565	....	‡62,294	†176,280	....	A & B d0.90	....	A & B nil	†116,280	2,085,087	Arnold Ashton, pres., Toronto; Alfred Whittle, vice-pres., Manchester, Eng.; John Prescott, sec.-treas.; D. E. Boxer, R. J. Boxer, T. A. G. Staunton, R. R. Sparling, L. K. Redman, D. A. Mackenzie; Toronto; A. Jackson, Manchester, Eng.; G. H. Walmsley, Rochdale, and J. Watson, Darwen, Lanes., Eng.
	*1952	....	.....	300,000	313,298	161,417	12.66	80,688	59,193	....	0.46	....	0.40	7,495	2,122,084	
CANADIAN WIREBOUND BOXES ..... *Year ended April 30. •Class A only. ‡In addition stock dividend paid of 65/100 of one new cl. B share for each cl. A and common share held.	*1953	....	.....	700,000	1,253,017	126,940	....	373,000	553,077	*10.86	5.48	1.50	1.00	414,599	3,031,353	A. M. Dunn*, pres. and man. dir.; S. B. Playfair*, vice-pres.; J. S. Dickson, Carr Hatch, R. J. Dunn, Gordon McMillan*, H. L. Trapp; Toronto; A. K. Cameron, Montreal. Sec.—D. F. Hazell. Treas.—F. H. Ellis. *Member exec. comm.
	*1952	....	.....	750,000	1,283,243	160,992	....	577,600	544,651	*9.29	4.60	‡1.50	‡1.00	356,792	2,600,085	
									*Old class B, exchanged late in 1951 for new common, share for share.							
CORRUGATED PAPER BOX ..... †On new common after 5-for-1 split authorized by SLP Dec. 15, 1951. ‡On old stock.	1952	....	.....	.....	811,082	125,687	....	359,650	326,635	72.73	1.29	5.00	0.50	186,680	1,680,615	J. A. Whealy, pres. & treas.; Wm. Zimmerman, vice-pres.; F. L. Clouse; Harold Fry; Toronto; Henry Hilton, Winnipeg. Sec.—E. R. Bluethner.
	1951	....	.....	.....	869,901	138,089	....	376,150	355,550	79.17	†1.42	5.00	‡1.87½+0.62½	215,595	1,346,282	
DOMINION CONTAINERS ..... ‡On new 5% pref. and new common stock as if outstanding throughout the year. ▲Based on number of shares as calculated from dividends paid. †In 1951 paid 10c per new 5% pref. sh., 10c per new common share and $1.75 per old 7% pref. common sh. and $1.75 per old 7% pref.	1952	....	.....	962,700	800,849	75,929	20.30	384,000	302,770	♦2.92	2.81	0.10	0.20	271,603	1,165,521	C. N. Moisan, pres. & gen. mgr.; Hon. Wilfrid Gagnon, vice-pres.; J. A. Moisan, Mendoza Langlois, T. M. Barrington, Bruce Brown, Leon Simard; Montreal. Sec.-treas.—T. A. Moisan.
	1951	....	.....	602,000	746,286	73,799	24.34	354,544	287,420	†2.77	‡2.57	†	†	231,078	1,052,967

Reports on the Paper Box Companies

Bathurst

Through two of its wholly owned subsidiaries, Bathurst Power & Paper Co., manufactures a substantial amount of corrugated shipping containers and similar products from kraft liner and corrugated board.

A large extension of the plant in Hamilton, Ont.—Kraft Containers Ltd. — was completed last summer. The other subsidiary, Shipping Containers Ltd., has its main plant located in Montreal, with a new branch plant in St. Laurent, Que.

In 1952 output of Shipping Containers Ltd., was down slightly from the previous record year of 1951. Total production amounted to 54,066 tons, as against 55,994 tons the previous year.

In his first quarterly report for 1953, President R. L. Weldon states that the anticipated upswing in seasonal demand for box board and shipping containers was evident in April has continued into the midyear, with the volume of sales at more satisfactory levels than before.

Complete Bathurst coverage is included under the specialty paper companies section.

Can. Wireb'd Box

Canadian Wirebound Boxes Ltd., with factories at Toronto and Montreal, manufactures wirebound boxes and crates, corrugated cartons, single face rolls, pads, liners and partitions, plywood, cases, nailed boxes and bottle boxes.

The Montreal plant covers 11.55 acres. Floor space is 208,015 sq. ft., of which 82,448 sq. ft. is leased to other firms.

The Toronto plant has floor space of 237,504 sq. ft. and covers nine acres. A new power plant was completed in 1949, and a 33,090 sq. ft., two-story addition to the plant was built in 1951. Approximately 10,260 sq. ft. of this is used for a new office and new cafeteria.

For the year ended April 30, 1953, net profit of $553,077 was the highest in company's 25-year history, and was 1.5% greater than previous fiscal year's net of $544,651. Sales showed a small decrease, said President A. M. Dunn, and operating profit declined $30,226. Capital expenditures totaled $71,854.

Earnings were equivalent to $5.98 per Class A share ($5.10 in previous year) after participation, $8.09 ($6.73) per Class B share and $5.48 ($4.60) per common share. Cash dividend of $1.50 was paid on Class A shares and $1 on common shares in each of the past two years, and 37½c on Class B shares in latest fiscal year.

In addition, a stock dividend of 65/100 of a share of new Class B 5% cumulative preferred stock was distributed in April, 1952, for each Class A and common share held, and these B shares have been called for redemption Oct. 1, 1953, at their $10 par value. The special dividend is a distribution from tax-paid undistributed income under Section 95A of the Income Tax Act, and is tax-free in the hands of shareholders.

At April 30, 1953, there were outstanding 58,942 Class B shares; 50,915 $1.50 cumulative participating redeemable n.p.v. Class A shares; 40,000 $1 non-cumulative n.p.v. common shares; and $750,000 2¾%-3½% serial debentures, due 1953-67.

Corrugated Paper

Corrugated Paper Box Co., Leaside, Ont., manufactures corrugated and solid fibre shipping containers and folding cartons. A wholly owned subsidiary, Hilton Bros. Ltd., owns a plant at Winnipeg, and has a second plant under construction on a 5.3 acre site in Calgary.

Erection of steel at the Calgary site will begin toward the end of September, with occupancy scheduled for February, 1954, at the earliest. Operations should commence very speedily after completion of the building, President J. A. Whealy told The Financial Post.

Production in 1952 showed an increase, and sales climbed to a new high, said the president. Labor, freight and taxes also were at peak levels, but these increases were somewhat reduced by savings through use of new and speeded-up machinery.

Net profit of $326,635 for 1952 was 8.1% lower than 1951 net of $355,550. Earnings were equivalent to $72.73 ($79.17 in 1951) per 5% preferred share and $1.29 ($1.42) per preferred share, based on present capitalization after 5-for-1 stock split Dec. 31, 1951. Dividends were $5 per preferred share and 50c per common share in each year.

Dom. Containers

Dominion Containers Ltd., a holding company, controls a number of firms manufacturing and distributing cardboard boxes and other containers. These include Standard Paper Box Ltd., King Paper Box Co., Empire Paper Box Co., National Paper Box Ltd., Acme Paper Box Co., British American Paper Box Co. and Freed Paper Box Manufacturing Co.

Sales during 1952 established a record in both tonnage and dollar terms, said President C. N. Moisan. Net profit of $302,770 was 5.3% higher than 1951 net of $287,420. Earnings were equivalent to $2.92 ($2.77 in 1951) per 5% preferred share, and $2.81 ($2.63) per common share. Dividends paid were 10c (10c) on preferred shares and 20c (10c) on common.

In 1952 company offered a new issue of 5% redeemable debentures due July 1, 1972, and redeemed the 5% non-cumulative redeemable preferred shares. Subsequently, $20,400 of these new debentures were redeemed.

Other redemptions were $25,000 first mortgage serial bonds on Jan. 2 in both 1952 and 1953, and $15,000 4½% sinking fund debentures July 2, 1952.

Capitalization outstanding at Dec. 31, 1952, consisted of $175,000 4% Series A first mortgage bonds, 1951-60; $125,000 4½% Series A first mortgage bonds, 1961-65; $269,500 4½% sinking fund debentures, due 1968; $393,200 5% redeemable debentures, due 1972; 137 5% non-cumulative redeemable preferred shares, par $4; and 103,847 n.p.v. common shares.

Gair Co.

Gair Co. Canada Ltd., a wholly owned subsidiary of Robert Gair Co. Inc., New York, manufactures and sells various types of corrugated and fibre shipping containers and folding paperboard cartons. It manufactures paperboard for its own use.

Other products manufactured by Gair Co. and its subsidiaries include counter display cartons, cracker caddies, paper specialties, gummed tape and mechanical pulp.

Properties of operating divisions of company and its subsidiaries include four paperboard mills, three in Toronto and one in Montreal; two pulp mills, at Frankford and Campbellford, Ont.; a folding carton plant at Toronto, one at Montreal, two at Winnipeg and one at Edmonton; and shipping container plants at Toronto, London and Hamilton.

Net sales in 1952 were $22,128,592, compared with all-time high of $22,467,122 the previous year. Sales to customers of all products totaled 99,637 tons, down 11.4% from 112,406 tons in 1951.

Accumulated inventories adversely affected sales at the beginning of the year, said George E. Dyke, president of the parent company. Operating results were also affected by increased labor and freight costs and downward price trends.

Paperboard production at company's mills was 73,583 tons, a decrease of 8,884 tons from 1951. The future of the Canadian subsidiary is regarded as "particularly attractive," said Mr. Dyke.

Gair Co. Canada Ltd. became a wholly owned subsidiary of Robert Gair Co. Inc. during 1952, with redemption of all of the outstanding 7,250 par $100 4% cumulative redeemable preferred shares. Robert Gair Co. also holds all common stock of the Canadian company, totaling 120,000 shares, par $10.

Hendershot

Hendershot Paper Products Ltd., Hamilton, makes a variety of paper products, including containers and corrugated paper products. Company is giving particular attention to design, with its opportunities to improve products and create new packaging techniques.

Net profit of $73,794 in 1952 was 31.6% less than 1951 net of $107,845. Earnings were equivalent to $29.52 ($43.14, in 1951) per share on 5% preference stock, and $2.04 ($3.18) on common shares. Dividends paid were $5 on preferred and $1 on common shares in each year.

Demand for corrugated paper products showed a definite trend striking an even balance with raw material supply in 1952, said President T. R. Harrison. Modernization of equipment continued to reduce production and maintenance costs, and additional trucking units made a substantial reduction in transportation charges.

Capitalization outstanding at Dec. 31, 1952, consisted of 2,500 par $100 5% cumulative redeemable preferred shares and 30,000 npv common shares. Working capital totaled $182,837 ($134,039 a year earlier), and earned surplus was $112,714 ($81,592).

Hinde & Dauch

Hinde & Dauch Co. of Canada operates plants at Toronto, Trenton, and Chatham, Ont., and Montreal, for the manufacture of jute liners, wrapper and header stocks, and a wide variety of paperboards, as well as corrugated and solid fibre boards, boxes, etc.

Company is controlled by Hinde & Dauch Paper Co., Sandusky, Ohio. Merger of the U. S. parent firm and West Virginia Pulp & Paper Co. was recommended last month by both companies' boards of directors, subject to stockholder approval. Under the proposed arrangement, H. & D. will be operated as a subsidiary of West Virginia.

West Virginia P. & P. is a prominent maker of book and magazine paper, and other paper products. It owns six mills in five states, but does not convert its paperboard into end products. The U. S. Hinde & Dauch Co. has five mills and 12 box board plants converting corrugated paper into end products.

The Canadian subsidiary in 1952 manufactured 90,309 tons (97,647 in 1951) of paperboards, and its factories produced 67,457 tons (74,646) of shipping boxes. Decrease was principally due to slackening in demand, said Chairman Sidney Frohman and President L. F. Winchell, although in 1952 company started to make certain grades of paperboard on a much lighter weight basis.

Net value of sales, not including interplant transfers, was $17,911,313 ($17,794,258). Over-all value of production, including interplant transfers, was $24,705,819 ($24,574,894).

Capital additions last year totaled $1,749,673, and capital disposals $11,750. Company's new box factory at Montreal started operations in July, 1952. New steam boilers and paper-making

(Continued on page 59)

a big role in paper

Inglis equipment in pulp and paper mills across Canada is helping daily to write the big "inside" story that lies behind newspaper headlines all over the world—the story of Canadian paper itself.

The application of Inglis' unique manufacturing capacity and engineering resources to the special needs of the pulp and paper industry has brought to Canada the designs of Pusey & Jones, one of the world's most advanced lines of paper-making machines, now manufactured by Inglis.

In addition, Inglis is fully equipped to engineer and manufacture digesters, evaporators and special equipment of many kinds for the pulp and paper industry . . . from chips to finished paper.

25-2100-53

JOHN INGLIS CO. LIMITED, TORONTO

Montreal, Winnipeg, Calgary, Edmonton, Vancouver

Steam Power Plants, Paper Making Machines, Pressure Vessels, Pumps, Compressors, Marine Steam Turbines, Heavy Machinery, Refrigeration Systems

Inglis CANADA

Associated in the English Electric Group with English Electric Company of Canada, Limited

Rolls up profits—rolls back costs—with table and press rolls on TIMKEN bearings

THIS new paper making machine, built by The Moore & White Company for the Hopper Paper Company, uses 90 Timken bearings on the Fourdrinier table rolls and all press rolls. Bert Hopper, president of the company, reported: "It was the feeling of everyone in the mill that the Timken roller bearings were largely responsible for the following remarkable wire life. They went into production on May 12th of last year and ran the first wire 114 days, six days a week. The second wire ran until February 27th, or 124 days. They use a 70 mesh, 70 foot long Bronze Longcrimp wire 136" wide."

Timken bearings cut maintenance and lubrication costs, too. That's because they make closures more effective—keep dirt and moisture out, keep lubricant in. Paper spoilage from oil or grease is prevented.

Due to line contact between rollers and races, Timken bearings have extra load-carrying capacity. Their tapered construction enables them to take any combination of radial and thrust loads. And Timken bearings are made of the finest steel ever developed for tapered roller bearings —Timken fine alloy steel.

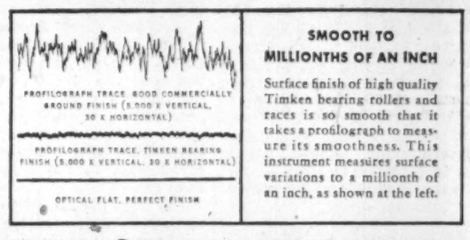
No other bearing can give you *all* the advantages of Timken bearings. They're backed by over 50 years of bearing research and development. Whether you build or buy paper making machinery, it will pay you to specify Timken bearings. Always look for the trade-mark "Timken" stamped on every bearing. The Timken Roller Bearing Company, Cable address: "TIMROSCO"—Canton, Ohio.

CANADIAN PLANT: St. Thomas, Ont.

U. S. PLANTS: Bucyrus, Canton, Columbus, Mt. Vernon, New Philadelphia, Wooster and Zanesville, Ohio: Colorado Springs, Colorado.

This symbol on a product means its bearings are the best.

THE MOORE & WHITE COMPANY mounts Fourdrinier table rolls and all press rolls on Timken tapered roller bearings to help reduce operating and maintenance costs.



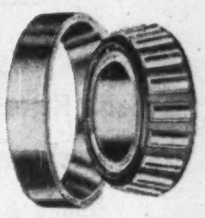
SMOOTH TO MILLIONTHS OF AN INCH

Surface finish of high quality Timken bearing rollers and races is so smooth that it takes a profilograph to measure its smoothness. This instrument measures surface variations to a millionth of an inch, as shown at the left.

TIMKEN

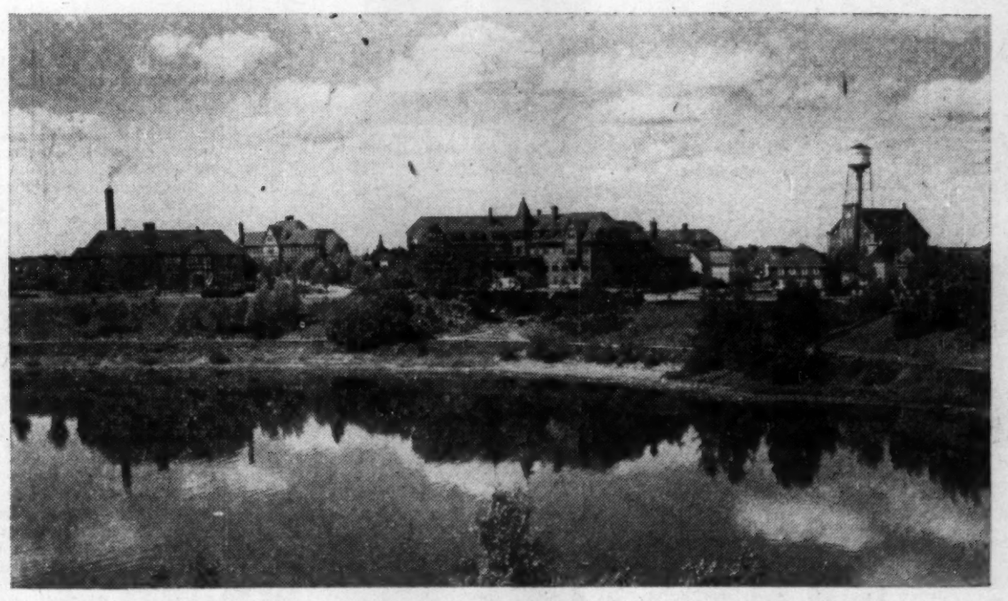
TRADE-MARK REG. U. S. PAT. OFF. AND IN CANADA

TAPERED ROLLER BEARINGS



NOT JUST A BALL ○ NOT JUST A ROLLER ⊂⊃ THE TIMKEN TAPERED ROLLER ⊂⊃ BEARING TAKES RADIAL ⊕ AND THRUST →⊕← LOADS OR ANY COMBINATION →⊕←

The City of Kapuskasing



Spruce Falls Power and Paper

COMPANY, LIMITED

Mills at Kapuskasing, Ontario

Daily production 750 tons Newsprint

375 tons Sulphite Pulp

Head Office: TORONTO, ONTARIO

How Wood Pulp Producers Are Doing

(Continued from page 55)

tions of mills manufacturing pulp for market sales.

In his semi-annual report for 1953 he states that a further weakening in prices and increases in Canadian freight rates have affected the net revenue of a number of products manufactured, particularly market pulp. He reports all mills operated at reasonable levels with the exception of the bleached sulphite pulp mill at Restigouche Co., which continued on a curtailed basis.

Gaspesia

Gaspesia Sulphite Co. is a wholly owned subsidiary of Anglo-Newfoundland Development Co. It produces a high-grade unbleached sulphite pulp, designed to meet U. S. market requirements. Annual capacity of the company's Chandler Quebec mill is now 82,500 tons and it will be raised by 25 tons daily when a current modernization program has been completed.

Installation of a bleaching plant at the property is progressing according to schedule with $1,014,-124 being spent up at the end of 1952. The project is being financed to a substantial extent by customers of the company who, by the end of 1952, had made advance payment of some $2 millions against pulp to be delivered in 1954 and subsequent years.

Production in 1952 totaled 65,-142 tons of unbleached sulphite pulp and was 14,302 tons less than in 1951. Pres. Elliott M. Little states that the drop was partly due to a drop in demand which caused a two-week shutdown and partly to the necessity of improving pulp quality.

"A firmer demand, however, is expected for the bleached sulphite pulp to be produced at the bleaching plant when it is completed by the end of 1953," he added.

Consolidated net profit of Anglo-Nfld. was $4,348,598, as compared with $8,227,382 for 1951. Gaspesia's share in the profit was $120,016, as against $1,917,555 during 1951.

Great Lakes

Great Lakes Paper Co. manufactures newsprint and unbleached sulphite pulp at its plant on the Kaministiquia River near Fort William, Ont. Full facilities are available for rail and water shipments. Annual mill capacity is now 60,000 tons of unbleached sulphite pulp.

Company obtained a 21-year lease in 1940, with provision for a 21-year renewal, of Ontario timber areas considered adequate for future operation of the mill. Timberlands held under lease and by freehold title cover over 3,500 sq. miles in Ontario. The lands are estimated to contain some 13.5 million cords of pulpwood, of which 11 million cords are suitable.

Control of Northern Wood Preservers Ltd., Port Arthur, was acquired early in 1951 in an effort to achieve maximum utilization of timber resources. This company carries on a substantial business in production and creosote treatment of lumber poles, track ties, etc.

On Aug. 15, 1952, Great Lakes Paper entered into an agreement to purchase, for $850,000, all the outstanding shares of Patricia Lumber Co., Sioux Lookout, Ont. The company operates a saw and tie mill and holds valuable timber cutting rights. By this acquisition, an important addition to Great Lakes' pulpwood reserves was secured.

Superior Timber Co. is a wholly owned subsidiary.

Net profit of $2,656,377 for 1952 was 43.9% less than 1951 net of $4,734,494. Earnings were equivalent to $16.04 ($27.99 in 1951) a share on combined Class A and B stock, and $1.98 ($3.68) on common. Dividends paid were $2.50 per Class A share, $1.20 on Class B and $1.60 on common in each year.

For the first six months of 1953, net profit of $1,254,406 or 92c per common share was 12.2% lower than corresponding 1952 net of $1,429,077 or $1.07 a common share. Second quarter earnings this year, however, were 52c compared with 47c in the same three months of 1952.

Sales of 37,054 tons of sulphite and other wood pulp in 1952, valued at $4,838,134, were down from 70,016 tons valued at $10,-122,194 in previous year.

Capital expenditures for mill operations amounted to $570,103 and woodlands operations to $185,917. Expansion in productive facilities, with steady improvement in operating efficiency, established all-time records of production last year, said President and Managing Director W. Earl Rowe.

Operations in 1952 were affected adversely by loss of foreign exchange revenue and reduced unbleached sulphite pulp sales, said Mr. Rowe. Demand and prices for woodpulp declined substantially in 1952.

Working capital at Dec. 31, 1952, stood at $8,716,919 ($8,283,-531 a year earlier). Capitalization outstanding at year end consisted of $2,869,000 3½% first mortgage bonds due 1966; $1,081,000 3½% first mortgage bonds, due 1967; 65,643 Class A $2.50 cumulative preferred n.p.v. shares; 100,000 Class B $1.20 cumulative preferred n.p.v. shares; and 1.2 million n.p.v. common shares.

Howard Smith

As well as being the largest Canadian producer of fine and specialty papers, Howard Smith Paper Mills Ltd. also has extensive manufacturing facilities for various types of pulp.

Capital expenditures of the company during 1952 totaled $6,654,830. In connection with its pulp operations these included the modernization and expansion of the soda pulp mill at the company's Cornwall division and the installation of a new pulp drying machine at the Donnacona, Que., plant of Donnacona Paper Co., a subsidiary.

In his 1952 report, President E. Howard Smith states that in view of the unsettled state of the pulp market, the construction of a proposed sulphate pulp mill at the company's Crabtree division has temporarily been deferred.

He states further that notwithstanding the increased production capacity available over 1951, the total tonnage of paper produced in 1952 by the company was down about 2.6% due mainly to decreased demand. Mr. Smith states that the demand for all grades of wood pulp fell off drastically during the second and third quarters followed by a moderate improvement in the fourth quarter.

"A big reversal in the pulp market, from a position of shortage to one of excess production, brought about a substantial drop in the prices of all grades of pulp and this, combined with the strength of the Canadian dollar resulted in a material reduction in the company's net returns on its pulp sales," he declared.

At the beginning of this year the company's pulp mills were averaging about 80% of capacity.

Howe Sound

The unbleached kraft pulp mill at Port Mellon, B.C., formerly operated by Sorg Pulp Co., wholly owned subsidiary of Sorg Paper Co., Middletown, Ohio, was purchased in 1951 by a group consisting of Canadian Forest Products Ltd. and associated interests, and is being operated by Howe Sound Pulp Co. Some $6 millions was to be spent by the new group on complete modernization of the mill.

Howe Sound is operated without a woodroom of any kind, its raw material consisting entirely of waste recovered from Canadian Forest Products' Eburne Saw Mills Division.

Canadian Forest Products, Vancouver, owns extensive timber stands both on Vancouver Island and on the British Columbia mainland. Company operates logging camps, sawmills, a plywood plant, shingle mills and British Columbia's only hardboard plant, in addition to the Howe Sound Pulp Co.

The Port Mellon mill went into operation in May, 1951, after having been shut down by its former owners. Immediate objective was a daily production of 175 tons of kraft pulp, with ultimate goal being production of 350 tons of unbleached pulp per day.

Irving

Irving Pulp & Paper Ltd. owns and operates a pulp mill at Fairville, N.B., at the mouth of the St. John River (the company's name was changed from St. John Sulphite Ltd. in 1951).

While present daily capacity totals about 140 tons of bleached sulphite pulp, a large expansion program now nearing completion will increase this to 200 tons of sulphite daily as well as providing daily capacity for 250 tons of bleached kraft pulp.

Expenditures on the big program which involved completely rebuilding and enlarging of the present mill, are expected to total over $18 millions. The entire project is expected to be completed by early 1954.

The company's timber limits comprise an undivided freehold interest owned in timberlands in the north eastern section of Maine, totaling 51,345 acres plus 68,715 acres of timberland in Carleton and York Counties of New Brunswick. It is estimated that these areas contain 656,590 cords of spruce and balsam in addition to stands of pine, cedar and hardwood.

Irving Pulp & Paper also has a 29.6% interest in the outstanding and preferred common shares of Allagash Land Co. which owns 85,144 acres of timberland in Maine containing an estimated 537,915 cords of pulpwood. It is reported that the present timber limits are sufficient to support the company's expanded operations.

Financial and operating statements are not submitted for publication by the company.

LongLac

LongLac Pulp & Paper Co. is a wholly owned subsidiary of Kimberly-Clark Corp., Neenah, Wis. It operates a sulphate pulp mill at Terrace Bay, Ont., on the north shore of Lake Superior. Construction of this plant in 1947 was parent company's largest undertaking in 20 years.

Daily capacity of the mill, on the Aguasabon River, is 300 tons of unbleached sulphate pulp, which is shipped to the U. S. mills of Kimberly-Clark. This mill is at the southern end of a water system down which logs are floated from timber limits centred at LongLac, 80 miles north, where company's woodlands department offices are located. The mill converts pulp logs to sulphate pulp, which is shipped by water to Green Bay, Wis., and shipped from there to various Kimberly-Clark mills.

Power is supplied by the Ontario HEPC's 55,000 hp generator on the Aguasabon River, three miles west of the townsite, on the shore of Lake Superior. Raw materials are obtained from timberlands formerly under lease to Pulpwood Supply Co., and from enlarged timber concessions, all of which are now under lease to LongLac and are expected to be a continuing source of supply.

Consolidated earnings of LongLac and Kimberly-Clark Corp. of Canada in the year ended April 30, 1953, were $1,282,742, down 64.8% from previous fiscal year's net of $3,649,863.

Earnings of LongLac Pulp & Paper dropped materially as a result of reduction of pulp prices, lower demand for pulp, higher labor and freight costs, and loss of exchange on U. S. dollars. Both subsidiaries continued to take depreciation in excess of normal; this excess was $1,088,059 for the year, and accumulated excess at year end was $4,782,123.

Consolidated current assets of LongLac and Kimberly-Clark of Canada at April 30, 1953, totaled $15,637,216 ($15,260,694 a year earlier), current liabilities were $3,251,374 ($5,889,209), and surplus $8,040,504 ($6,767,682), in U. S. dollars.

MacMil. & Bloedel

MacMillan & Bloedel Ltd., Vancouver, is engaged in logging, manufacture of plywood, lumber, shingles and other timber products, production of sulphate pulps and the merchandising of these products to Canadian and export markets.

Largest single group of operating units is at Port Alberni, on the West Coast of Vancouver Island. Company is Canada's largest producer of plywood. Its Harnac Pulp Division, formerly Nanaimo Sulphate Pulp Ltd., is located about four miles southeast of Nanaimo on Vancouver Island.

A sulphate pulp mill, built at a cost of $19 millions to convert waste wood byproducts into kraft pulp, was brought into production in 1950. Commercial production of unbleached sulphate pulp at the rate of 250 tons daily was begun in June, 1950. A pulp bleaching unit with capacity of 250 tons daily was completed the following April. An additional bleached sulphate unit, slightly larger than the first, will go into production Sept. 15.

At Port Alberni, the mill of Alberni Pulp Division has a rated capacity of 200 tons of unbleached sulphate pulp a day. Mill was completed in 1947 at a cost of $7.9 millions.

MacMillan & Bloedel Ltd. is the result of a merger in 1951 of H. R. MacMillan Export Co. and Bloedel Stewart & Welch Ltd. Under the terms of a 10-year contract signed in 1946, MacMillan & Bloedel provides management for British Columbia Forest Products Ltd. and handles the sale of its products on a fee basis.

Net income for the nine months ended June 30, 1953, was $9,900,-939, down 24% from $13,086,804 in the corresponding 1951-52 period. Earnings for the nine-month period were equivalent to $1.87 a share ($2.48 the previous year).

Earnings for the three months ended June 30, were 79c, up 23c from the same three months of last year. Sales for this quarter, however, dropped sharply from sales in the corresponding 1952 period, as a result of abnormally high sales of lumber from other producers in the 1952 quarter on which a low profit was earned, said President B. M. Hoffmeister.

Lower logging production and lower lumber prices, together with mill shutdowns for vacations, will reduce the earnings of the last quarter of the current fiscal year, the president added. An improvement over the final quarter of last fiscal year may nevertheless be achieved, since a six weeks' strike of loggers in June and July, 1952, helped to cut earnings to 13c a share for the three months ended Sept. 30.

Capital expenditures during the 1951-52 fiscal year were $15,301,-263, of which $6,911,078 was for a new bleached sulphate pulp mill at Harmac and $4,242,932 to buy standing timber. New warehouses were opened at Calgary

(Continued on page 60)

BRITISH AMERICAN
BANK NOTE COMPANY
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Manufacturers of:

Genuine Vegetable Parchment
Bleached Sulphate Pulp
Bleached and Unbleached Wrapping Papers
Sulphate and Groundwood Specialty Papers
Newsprint Specialty Papers

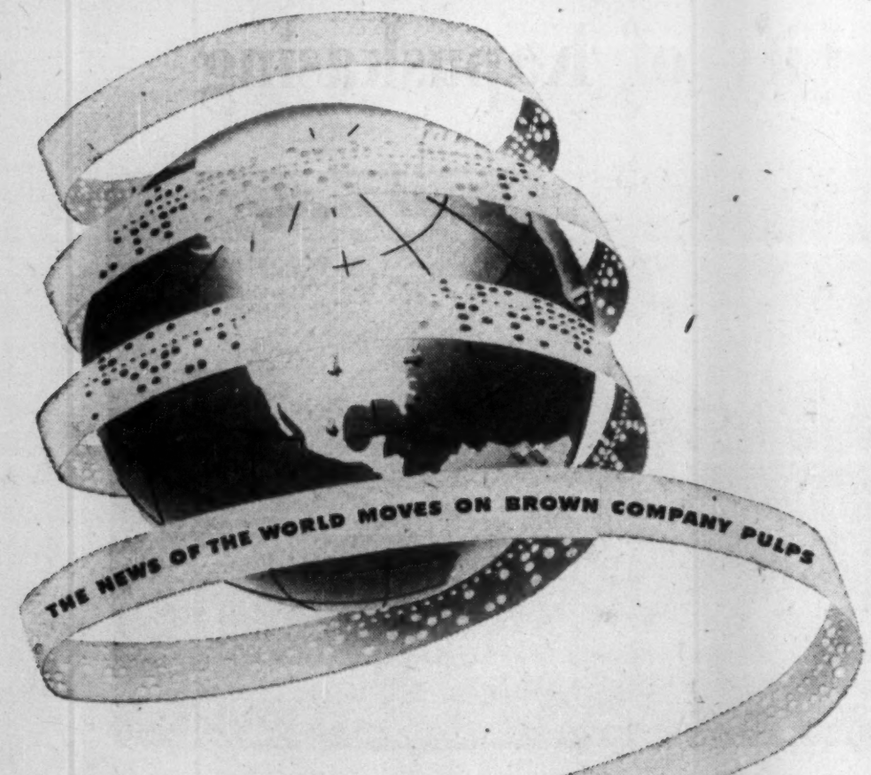
Associated Companies:

The Kalamazoo Vegetable Parchment Co.
Parchment, Michigan.

Harvey Paper Company
Sturgis, Michigan

Appleford Paper Products Limited
Hamilton and Montreal, Canada

KVP Company of Texas,
Houston, Texas.



ACROSS A THIN STRIP OF PAPER TAPE, slightly less than three-fourths of an inch wide, moves the news that travels around the world via teletype —

Teletype tape called for a carefully engineered pulp that would meet many requirements — tensile strength that would resist tear yet not wear out the perforation pins . . . a minimum of fuzz and lint . . . the right amount of oil impregnation for speedy movement through the machines.

Engineered papers require correctly balanced pulps.

The recommendation of the *right* pulp for special requirements is a job for the experts of our Technical Service Division. If you have a paper problem, perhaps they can help you, too.

Write to Department PC-1 in our Montreal Office.

BROWN CORPORATION, La Tuque, Quebec
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The FUTURE

Hydro-electric power generated and distributed by Shawinigan has contributed to the industrial, commercial and agricultural growth of the Province of Quebec.

Shawinigan's development has directly and indirectly created jobs and wages for Quebec workers; its power helps to turn Quebec's raw materials into tangible benefits for the public; its development of Quebec's natural resources helps attract to the Province a wide variety of manufacturing and business firms; and its history shows the friendly and beneficial co-operation which can exist in our way of life between government, management and labour.

This, then, is Shawinigan's agenda for the future—as a citizen of Quebec—to continue contributing to the welfare of the Province and its people as actively as it has done in the past.

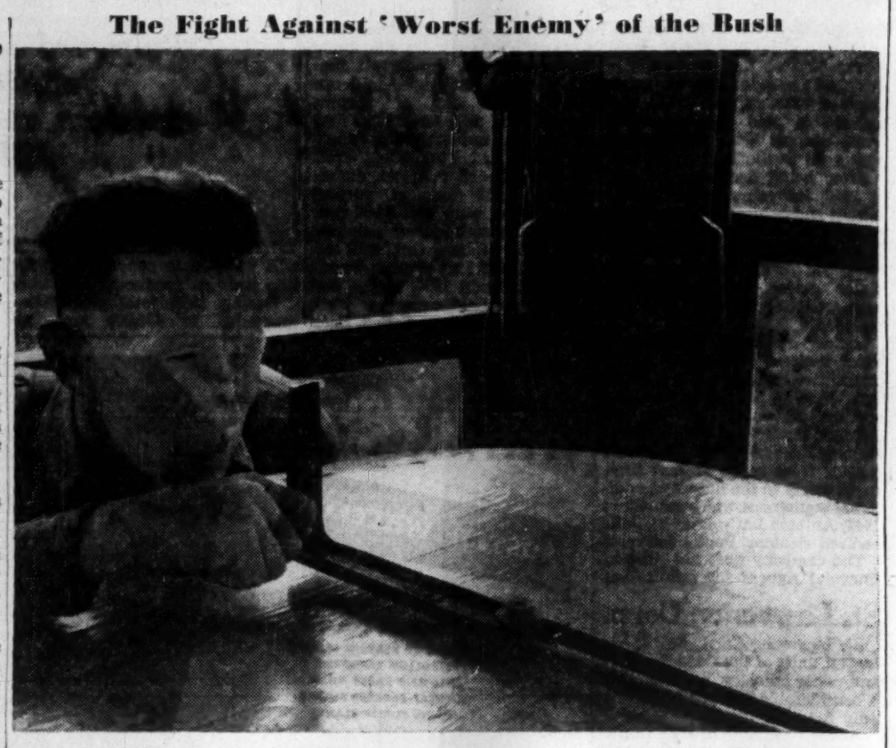
CHEMICALS · ENGINEERING
The Shawinigan WATER AND POWER CO.
ELECTRIC POWER
associated and subsidiary companies

WRAPPING PAPER

A Product That Delivers the Goods

Wider Market, 224,486-Ton Output Level

The Fight Against 'Worst Enemy' of the Bush



Millions of dollars are spent each year in the fight against it, and many millions more result in damage from what many consider the pulp and paper industry's worst enemy: fire. If losses could be cut, the forests would support a much greater utilization. Here, forester charts position of tiny fire that could spread into a holocaust from one of many fire towers that dot Canadian north.

Wrapping paper delivers the goods. And whether it's used to carry a ham sandwich, cover a rubber tire or move a load of cement, this strong, rugged product of the pulp and paper industry has become an indispensable part of modern living.

In Canada, it's big business.

Last year, Canadian wrapping paper production amounted to a big 224,486 tons. This was down 11.2% from record 1951 but was still the second highest total on record and more than double 1939's 109,907 tons.

This year, in the first half, output was almost unchanged from comparable 1952 levels at 114,187 tons. Domestic consumption actually showed a healthy 5.4% gain at 112,058 tons but the always-small export volume showed a sharp drop at 2,866 tons (6,948 a year earlier).

Wrapping paper markets have expanded sharply since prewar, thanks both to new uses and to a steadily growing volume of Canadian trade and industrial production.

The Market

Here's where Canada's $50 million output, most of it made from unbleached kraft pulp, goes:

Biggest market, about 35%, is with the converters making paper shipping sacks. This is also where the fastest growth has been centred in recent years.

Garment and laundry bags are two examples of outlets for one- or two-wall shipping sacks. But the really big volume of kraft wrapping paper goes into heavy duty multi-wall sacks, one of the hottest items in today's packaging business. Widely used in marketing bulk products such as cement, lime, plaster, flour, sugar, salt, fertilizer and chemicals, they can carry up to 100 lb.

Paper for these multi-wall sacks is made to rigid specifications and manufactured of long fibres properly interlaced to get maximum strength, flexibility and durability. The sacks sometimes have six or more plies of paper, one or more of which may have special coatings, laminations, impregnations and other treatments.

They've cut deeply into markets served by older forms of sacking. Since 1945, wrapping paper tonnage converted into sacks has more than doubled and the present 35% share of total output compares with under 15% prewar.

Then there's the simple paper bag, producers of which account for about a 23% slice of the industry's output. Groceries, textile products and thousands of other consumer goods in every shape and form travel from the marketplace encased in paper bags.

Wrapping paper as such accounts for another roughly 15%, ranging from the familiar brown rolls on retailers' counters to fine tissue used in packaging, for example, champagne. Industry uses about two thirds of the paper going into straight wrapping purposes, enfolding products of any size which may actually be shipped in paperboard or wooden containers.

A big group of miscellaneous markets for wrapping paper, together consumes around 25% of the industry's production.

One of the bigger is kraft gumming paper, a key item in shipping rooms and offices across the country, taking 5-6%. Kraft envelopes, which fill a need for a container strong enough to withstand handling in the mails and carry goods or papers without breakage or tearing, take about the same.

Twelve mills, located in Central Canada and on the Pacific coast close to the forests and to the main markets, turn out most of the country's wrapping paper. All told, they represent an investment of around $60 millions and can produce 800 tons a day.

Three or four others produce a small tonnage from time to time, often for their own use as a wrapper for paper of other grades in rolls or sheets. But these account for only about 3% of the total.

How They Operate

Economics of the industry differ substantially from those of market pulp or newsprint.

For one thing, making wrapping paper takes a higher investment per ton, uses more labor. Thus fixed charges and processing costs account for a higher share of total manufacturing costs.

In addition, the industry's output is based almost entirely on domestic business. Shut out by tariffs from U. S. consumers, the mills serve a thinly populated market stretching along a length of over 3,500 miles and they must produce at a cost approximating that of wrapping paper mills to the south serving an adjoining market eleven times as big.

Canadian mills produce over 100 grades, weights or colors of wrapping paper, a range almost as great as that turned out by American manufacturers. As the volume of each type produced here is naturally limited, there's little mass production. This means frequent changes in the types of pulp used, in machine speeds and in operating conditions.

Some small tonnage is exported and the proportion has varied widely over the years due to tariff changes in markets abroad and currency and exchange restrictions. It runs about 5% these days but the norm would range from 5% to 15%. Countries to which shipments are made include the United Kingdom, South Africa, United States, New Zealand and Colombia.

Some 80% of Canada's wrapping paper output is made from unbleached kraft or sulphate pulp, with 95% of the total including kraft pulp in whole or in part.

Converters of one kind or another take some 80% of total production, with the balance sold by the mills to wholesale paper dealers across the country.

Wrapping paper production in Canada dates way back to 1804, when the country's first paper mill started turning out writing, wrapping and printing papers and paperboard at St. Andrews, near Lachute, Que.

But the industry as it stands today only began to develop 46 years ago, when Canadians first introduced kraft pulp and paper to North America. By 1912, Canada's output of kraft paper had risen to some 5,000 tons annually and was raised sharply that year with the opening of a new mill at Three Rivers, Que.

Wartime Spurt

Wartime experience plus development and application of new scientific knowledge by the manufacturers then sparked really sharp growth and production has since climbed sharply. By 1945, it had reached 156,721 tons and in 1951 hit its peak to date of 257,332.

Last year, Canadians consumed some 211,000 tons of wrapping paper, second only to paperboard and newsprint.

Backed by new uses, and steadily rising national income and population expansion, further growth seems assured.

Paper Box Firm Reports

(Continued from page 57)

equipment were put into operation at Toronto and Trenton.

Net profit of $1,131,593 or $3.77 per share for 1952 was 20.5% less than 1951 net of $1,423,364 or $4.74 per share. Dividend of $1.40 per share was paid in both years.

At Dec. 31, 1952, earned surplus amounted to $7,997,044 ($7,270,977 a year earlier), working capital totaled $5,327,877 ($3,816,219) and inventories were valued at $3,224,814 ($2,520,862). Capitalization outstanding consisted of $2.4 millions 2¾%-3% serial debentures due Oct. 16, 1953-61, and 300,000 n.p.v. common shares. Hinde & Dauch Paper Co. of Ohio owns a majority of the common shares.

Maritime Paper

Maritime Paper Products Ltd. is a holding company with one wholly owned subsidiary, Industrial Containers Ltd. It manufactures cartons and other corrugated products for industrial use at its plant in Halifax.

Operating capacity, on the basis of a one-shift day, totals about 5,000 tons a year. Latest available production figures are for 1947, when 4,877 tons were produced. Net profit for that year amounted to $28,897.

Capital stock consists of 8,750, authorized outstanding 5% cumulative $20 par preferred shares and 15,000 authorized and outstanding npv common shares.

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Bernhard MODERN

Bernhard Modern Bold

Bernhard Tango

From tightrope to type design

LUCIAN BERNHARD

Born in Zurich, Switzerland, in 1885, Lucian Bernhard ran away from home and joined a circus with the idea of studying tightrope-walking under the Great Boldini, famed European aerialist. Realizing that this hazardous profession allowed of only one mistake, he prudently changed his mind and undertook instead to design posters and banners for the circus. This led to a broader interest in the graphic arts and eventually to the study of typography.

Entirely self-taught, Bernhard was for a time a Professor at the Royal Academy in Berlin and has taught extensively in New York, where he now resides. He is acknowledged as one of the finest type-designers of this century. Bernhard's fonts are the epitome of modern elegance, crisp and delicate in outline, rich in contrast, immensely colourful with their sharp serifs and cross-strokes of graduated thickness. Widely used in fine commercial printing, Bernhard conveys an atmosphere of luxury and beauty. *The headings on this page are set in Bernhard Modern Bold, the text in Bernhard Modern.*

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53-178

Here Is Progress Report on the Wood Pulp Producers

(Continued from page 58)

and Montreal; the Edmonton warehouse was completed in the current fiscal year. Consolidated sales for the year were $150,874,708.

Equity capital outstanding at July 31, 1953, consisted of 149,813 convertible cumulative n.p.v. Class A shares and 5,135,725 n.p.v. Class B shares. Outstanding debt consists of $4,499,000 2¾%-3% first mortgage bonds, due March 1 and Sept. 1, 1953-59 (after deducting $650,000 due in 1953), and $2,397,000 4% first mortgage bonds due Sept. 1, 1965.

Funded debt shown above does not include $463,948 long-term liability secured by timber limits, of which not less than $60,000 is payable in 1953 on basis of timber removed.

KVP Co.

KVP Co., a subsidiary of the Kalamazoo Vegetable Parchment Co., Parchment, Mich., produces bleached semi-bleached and unbleached sulphate and groundwood pulp in its mills at Espanola, Ont. Paper production includes wrappings, bag stock, waxings, coating, hanging, specialties and a small amount of newsprint.

The Espanola property of Abitibi Power & Paper Co. was purchased by the parent company in 1943 for $1 million. It launched construction of a bleached sulphate mill in the same year, developed additional water power, built an electrolytic plant for the manufacture of chlorine and caustic, and carried out other improvements. A converting business was set up to provide Canadian distribution for company properties.

A new parchment processing plant was opened last year to produce vegetable parchment for use by food manufacturers, processors and householders. A new 55 ft. by 225 ft. building was constructed for this operation, containing one Pusey Jones parchment machine and space for a second.

Most of company's sulphate pulp production is exported to the Kalamazoo Vegetable Parchment Co. A portion is shipped to various consumers in the U. S. and Canada, while some is used by the two paper machines operated at Espanola.

North West

North West Pulp & Power Co. is wholly owned by North Canadian Oils, which company bought all of North West's issued capital from New Pacific Coal & Oils in May of this year.

North West Pulp holds a timber reservation on 2,000 square miles (1,280,000 acres) about 120 miles west of Edmonton. Company plans to construct a kraft pulp and paper mill with a capacity of 250-300 tons daily. North Canadian Oils will guarantee construction of the mill and will advance initial finances. Bulk of the finances would be provided through special financing.

Plans are now at the survey stage, a company spokesman told The Financial Post, and original plans to have the plant and equipment in operation by May 1, 1954, have been put back about one year.

It is expected that the cost of building the mill together with any power facilities that may be required and providing working capital may be in the neighborhood of $30 millions.

Minas Basin

Minas Basin Pulp & Power Co. manufactures groundwood pulp and paperboard, as well as carrying out extensive lumbering operations.

The capacity of its Hantsport, N.S., mill is 85 tons of bleached and 15 tons of unbleached air-dryed tons of groundwood pulp daily. Most of the ground pulp is sold to Scott Paper Co. in the U. S. (Installation of the bleaching plant was completed June, 1951). The paper board mill has a 24-hour capacity of 50 tons.

The company owns over 300,000 acres in timber and operates two power plants on the St. Croix River with a combined capacity of 7,100 hp. Additional power requirements are bought from Nova Scotia Light & Power Co.

The company's wholly owned subsidiaries include Minas Shipping Co., Mapleleaf Lumber Co., Minas Stevedoring Co., Annapolis Basin Pulp & Power Co. and Portneuf Investments Ltd. The company also controls Bishop Asphalt Papers Ltd., Canadian Keyes Fibre Co. and Minas Transport Ltd. Associated companies include Standard Woodworkers Ltd., Parrsboro Lumber Co., Dartmouth Lumber Co., and Annapolis Valley Canners Ltd. Shipments of ground wood pulp during 1952 totaled 27,175 tons as against a total shipment of 27,600 tons during 1951. The drop was entirely due from the shutdown necessary to change over to make bleached pulp. Shipments of lumber totalled 17,921,000 board ft., as compared with 22,373,000 board ft. last year.

Loss of markets in the export field brought a drop of 28% from 10,079 to 7,274 tons paper board shipments. Orcharding operations resulted in a loss.

"The outlook for both paper board and lumber is not too encouraging," comments President R. A. Jodrey in his 1952 annual report, "and the company has accordingly restricted its wood operations as well as its lumber buying."

Gross capital expenditures in 1952 totaled $353,657. This consisted mainly of additional equipment for the paper board mills and installations of a bleaching process at the groundwood mill which is under the supervision of Scott Paper Co. Net profit for 1952 amounted to $273,770, down 19.5% from the 1951 net of $340,055.

Because of the continued increase in cost of replacing plant and equipment, the company is investing its surplus and depreciation fund in common stocks of the Canadian corporations. The policy being to purchase these securities to hold rather than to sell, for sales only to be made when money is needed for corporate purposes.

Marathon

Marathon Paper Mills of Canada operates a highgrade bleached sulphate pulp mill at Marathon, Ont., producing 330 tons per day. Company is controlled by Marathon Corp., Rothschild, Wis.

Marathon has cutting rights on 3.2 million acres of Canadian pulpwood forests. Factories at Rothschild, Ashland and Menasha, Wis., and Menonimee, Mich., make the pulp into paper.

The Ontario plant was established in 1946 to give the parent company's U. S. paper mills and converting plants a dependable source of high quality sulphate pulp for use in the manufacture of paper and paperboard for food packaging, of which Marathon Corp. is a major producer.

A new chemical plant, part of Marathon's program for complete integration, went into production last year. Described as the only plant of its kind in this hemisphere, and the only one in the world equipped to produce 50% caustic soda simultaneously with sodium sulphide, the new installation has reduced the cost of pulp as well as ensuring chlorine, caustic and sodium sulphide supply.

A $4 million capital appropriation was made last year by the parent company to the Canadian subsidiary to cover the cost of this plant, and of a lake freighter, the D. C. Everest, launched Oct. 15 at Kingston, Ont. The ship brings salt, main raw material in the manufacture of chlorine, to the new mill.

Wood supply is obtained from company's Pic River and Algoma Township concession, an area of 2,700 square miles.

Net earnings of the parent company in the year ended Oct. 31, 1952, were $7,073,558, down 19.6% from previous year's net of $8,801,001. Net sales of $86,444,830 were 5.6% lower than previous year's $91,552,950.

For the nine months ended July 31, 1953, consolidated net earnings of Marathon Corp. were $4,294,662, a decline of 24% from $5,652,842 in the corresponding period a year ago. Sales of $81,369,267, however, were 5.5% higher than $77,113,490 in the same period a year before.

Figures for the latest nine month period reflect the consolidated performance of Marathon and Northern Paper Mills, Green Bay, Wis. Latter company was acquired by Marathon on June 23 through exchange of Marathon common stock for Northern common and preferred.

Marathon's over-all sales volume is at a high level, said President John Stevens Jr., "with bookings and backlog of orders giving us assurance of high level production as we approach our fiscal year end."

There is no public interest in Marathon Paper Mills of Canada; entire capital stock is held by Marathon Corp.

Ontario Paper

Ontario Paper Co., Thorold, Ont., and its wholly owned subsidiary, Quebec North Shore Paper Co., at Baie Comeau, Que., are owned by the Chicago Tribune and the New York Daily News.

The Thorold paper mill, which produces 600 tons of newsprint daily, obtains its pulpwood requirements from timberlands at Shelter Bay and Franquelin, Que., and Heron Bay, Lake Superior, and Manitoulin Island. The pulp sales plant has a capacity of 120 tons per day which is sold on the open market. Ontario Paper Co. also operates the Beaver Co. newsprint machine using its own supplies and some of its staff.

A subsidiary, Quebec & Ontario Transportation Co., operates a line of lake boats on the Great Lakes and the St. Lawrence River, moving pulpwood and other raw material to the mills and newsprint to New York and Chicago.

The Baie Comeau plant of Quebec North Shore Co. produces 500 tons of newsprint daily and the pulp sales plant has a capacity of 120 tons per day.

The Thorold plant manufactures alcohol from waste sulphite liquor with annual output about 800,000 gallons. This quantity is absorbed by Canadian manufacturers of commercial products ranging from anti-freeze to pharmaceuticals.

A new venture undertaken by the company in the past year is the manufacture of vanillin from the lignin in waste sulphite liquor. A new plant was built at Thorold to produce vanillin and went into operation during the last quarter of 1952. The $1 million plant will produce 400,000 lb. of vanillin annually.

Financial and operating figures are not submitted for publication as there is no direct public interest in the company.

Quebec P & P

Quebec Pulp & Paper Corp. discontinued pulp production in 1930, and was placed in bankruptcy in 1952, following a petition of the Quebec Streams Commission on a claim for $1,824,000.00 for arrears for water dues on the Kenogami reservoir dam. All the company's former pulp mills and timber lands were sold to the Quebec Government in August, 1949, for $1.5 millions.

In November, 1949, it was authorized that preferred shareholders would receive $23 per share on delivery of certificates.

The bankruptcy estate of the corporation is still to be wound up, with various matters that must be settled with the Trustee and the Provincial Government before final closing of the estate still pending.

Restigouche

Restigouche Co. is a wholly owned subsidiary of Fraser Companies Ltd. It manufactures bleached sulphite pulp for use in paper making and dissolving pulp for the manufacturing of rayon, yarns and staple fibre, Cellophane and plastics.

The company's mill is at Atholville, N.B., and has a daily capacity of 195-260 tons depending on the quality and grade.

Because of the decline in demand for all grades of pulp, the mill's operations were curtailed in 1952 and continued at less than full capacity for the first six months of 1953.

President Aubrey Crabtree states that a further weakening in prices in the first six months of 1953 and increases in Canadian freight rates have affected the net revenue on a number of products manufactured, particularly market pulp.

Consolidated net profit of Fraser Companies for the first six months of 1953 totaled $1,334,488, as compared with $2,478,626 for the same period of 1952.

The operating and financial result of Restigouche Co. are consolidated with those of the parent company which are included under the specialty papers section.

St. George

St. George Pulp & Paper Company operates a pulp mill at St. George, N.B. The company is one of the oldest groundwood processing plants in Canada. It is one of the few Canadian mills to produce bleached groundwood pulp for sale.

In 1949 the company added a bleaching plant to bleach groundwood by the sodium peroxide process — the first operation of its kind in Canada.

Its mill at the mouth of the Magaguadavic River has an annual capacity of 25,000 tons. About 80% of the production is bleached and sold under the trade name of "Fibrewhite," while the balance is sold in unbleached form. Export sales account for nearly all of the total shipments.

After being destroyed by fire in 1946, the company's mill was rebuilt and enlarged with production capacity increased by about 20%. The mill was completely electrified with each machine motor driven individually and more modern pulp machines being installed.

History of the St. George mill dates back to 1902 when it was established by New York interests. In 1932, control was acquired by Edouard LaCroix, St. Georges de Beauce, Quebec, and Senator Page of Maine. Extensive repairs were made at that time, particularly to the dam, and additional equipment was installed. In 1947, Antoine LaCroix of St. John secured Senator Page's interests.

The company does not issue its financial figures for publication.

St. Lawrence Corp.

St. Lawrence Corp., one of the largest units of the Canadian pulp and paper industry, manufactures a considerable amount of surplus pulp for sale.

At the beginning of 1952 annual surplus pulp capacity amounted to 81,000 tons or 15.2% of the company's total available capacity. By the end a $22.2 million dollars expansion program now under way, the surplus total capacity will total 48,000 tons or 7.4% of total daily capacity.

The Dolbeau, Que., newsprint mill can presently produce 30,000 tons of surplus unbleached sulphite pulp annually for sale; while the East Angus, Que., kraft container board and paper mill can make 5,000 tons of surplus groundwood pulp and 10,000 tons of surplus unbleached sulphate pulp; the Red Rock, Ont., kraft container board mill can manufacture 9,000 tons of surplus groundwood pulp and 9,000 tons of surplus unbleached sulphate pulp. The Nipigon, Ont., mill can put out 18,000 tons of groundwood pulp. By early 1954, at the end of the present expansion plan, both East Angus and Red Rock will be able to convert all pulp into finished products.

During 1952 total production amounted to 475,000 tons, as against 521,000 tons in 1951.

For a further report on St. Lawrence Corp. see section under newsprint companies.

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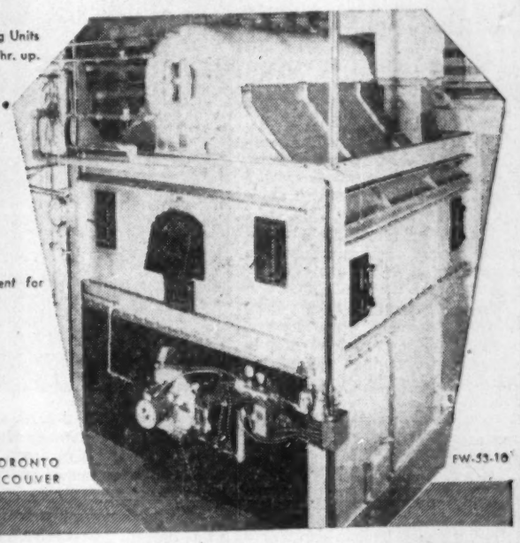

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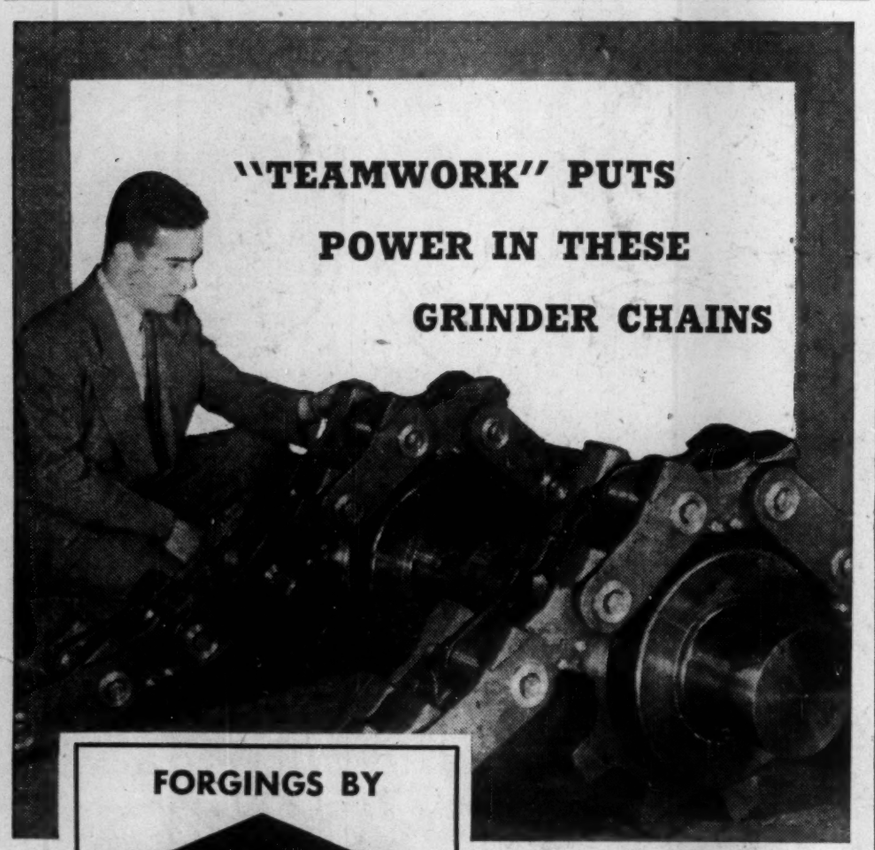

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Canforge

Look at these two sections of grinder chains manufactured by Forano Limited for paper mill grinders. Each individual grinder requires 4 of these chains approximately 40 feet long. Inside and outside links are supplied by Canada Foundries & Forgings Limited.

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(Today Westinghouse employs over 11,800 Canadians — manufactures the world's broadest line of electrical apparatus — has offices and service facilities from coast-to-coast.)

Records reveal that some of the earliest Canadian Westinghouse production went to the pulp and paper industry which was then (1903) using 160,000 tons of ground wood pulp and 90,000 tons of chemical pulp.

(Small figures compared with today's, when over 5 million tons of ground wood pulp are being used annually and newsprint production alone totals over 5½ million tons!)

During the past 50 years Canadian Westinghouse has seen the pulp and paper industry grow — and has contributed materially to its development. Today the name of Westinghouse shares the spotlight with major developments throughout the pulp and paper industry.

(A further significant fact is that Westinghouse has supplied over 50 per cent of all the electrical generating apparatus now operating in Canada.)

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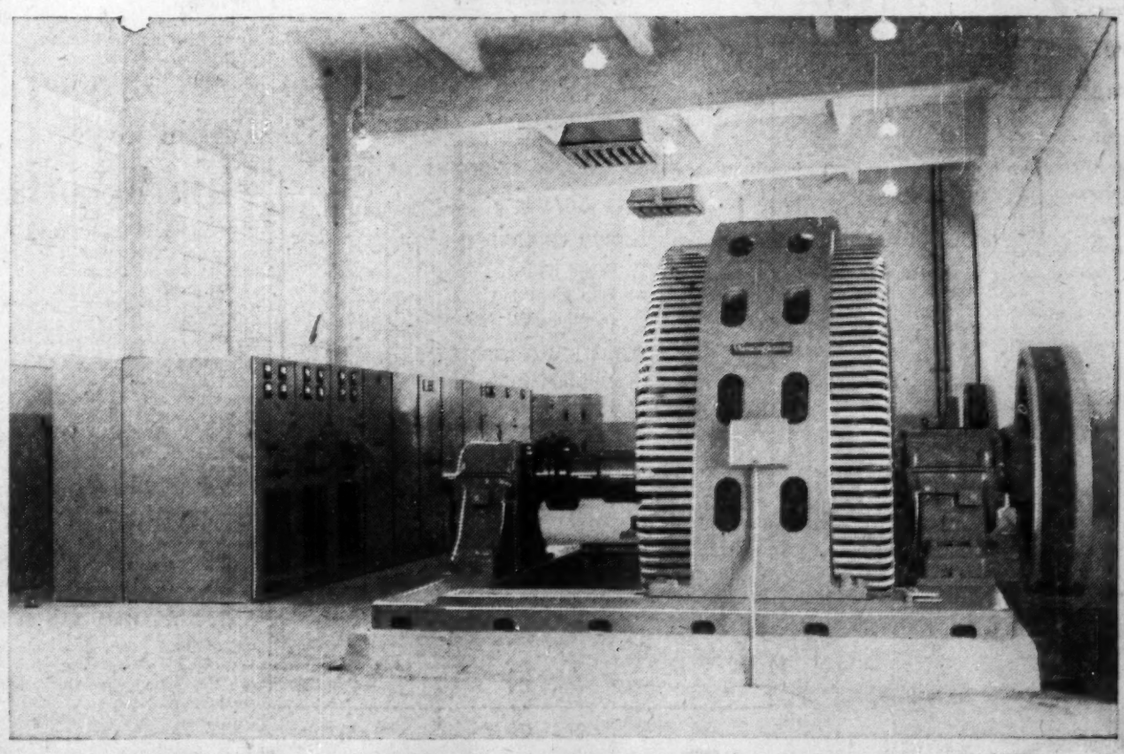

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Here Are Individual Reports On Specialty Paper Firms

Abitibi

Abitibi Power & Paper Co., directly and through subsidiaries, manufactures newsprint, sulphite pulp, printing and fine papers and paperboard. Corrugating board is produced in its mill at Sturgeon Falls, Ont., which has manufacturing capacity of 35,420 tons per year.

Production of paperboard in 1952 reached a new company record of 49,229 tons (46,547 tons in 1951). Production of printing and fine papers was 72,039 (83,365) tons.

For main report on Abitibi, see page 34 newsprint section.

Anglo-Canadian

Anglo-Canadian Pulp & Paper Mills Ltd. recently set up facilities for producing 25,000 tons annually of paperboard and wrapper at its Quebec City mill.

The company's board machine went into operation in July, 1950. Production during 1952 amounted to 12,125 tons, as against 17,525 tons in 1951.

Net profit for 1952 amount to $2,152,554 as against $4,246,134 for the previous year.

For the main report on Anglo-Canadian, see newsprint section.

Bathurst

Bathurst Power & Paper Co., Bathurst, N.B., produces cylinder boards, including patent coated, bleached manilla, pulp and screening and colored boards, Fourdrinier boards, including kraft liner and kraft corrugated boards; and high grade unbleached sulphite pulp.

The company operates a large plant at Bathurst, N. B., as well as a hydro-electric plant which distributes electricity for power and lighting purposes in the Bathurst area. Through subsidiaries the company output of kraft products and boxboards is sold throughout Canada, with agents in England and Australasia.

Two of its subsidiaries—Shipping Containers Ltd., Montreal, and Kraft Containers Ltd., Hamilton—turn out corrugated shipping containers and similar products from kraft liner and corrugated board.

The company's output of kraft products and boxboards is sold principally in the domestic market and to the United Kingdom and Australasia. Unbleached sulphite is sold in United States with some sales in the domestic market and the U. K.

Leasehold timber limits in New Brunswick and Quebec total over 2,700 sq. miles, containing an estimated 14 million cords of pulpwood. Areas in New Brunswick are located upriver from the Baie de Chaleur, while those in Quebec are on the Bonaventure and Cascapedia Rivers, also flowing into Baie de Chaleur. Up to date some 404 miles of main truck roads, together with many additional miles of truck roads have been constructed and are in operation to service and protect these timberlands.

Capital expenditures during 1947-52 totaled $8,720,818, including $1,069,203 last year. The 1952 expenditures cover the completion or continuation of work undertaken the previous year with replacement equipment installed wherever necessary. No major improvement was undertaken during the year.

Mill production during 1952 was 19,103 tons less than in 1951, due entirely to a reduced demand for the company's products. Of this, 54.8% was applicable to pulp production. The tonnage of products converted by the three converting plants of the company was only 1,928 tons less than in 1951, while the production of shipping containers by these plants was maintained at levels similar to the previous year.

Of a total of 126,546 tons processed during the year, 87,218 tons was produced as container boards, 20,629 tons boxboard, and 18,695 tons as pulp.

Consolidated net earnings of the company and subsidiaries for the year 1952 amounted to $1,825,895 as compared with $3,185,927 in 1951.

A combination of factors cut the first quarter consolidated net profit for 1953 sharply below the same period of last year. At an estimated $207,437, it was down 56.4% from the three months ended March 31, 1952.

President R. L. Weldon stated that earnings were materially affected by the low seasonal demands of boxboards and shipping containers. He reported that sales of unbleached sulphite pulp continued into 1953 at low levels, while higher labor costs incurred with adoption of a 44-hour week with the same take-home pay as for 48 hours, plus freight rate increases and the provision required toward the cost of protecting the forest against the budworm epidemic, increased the cost of sales considerably.

Estimated net consolidated earnings of the company for the first quarter of 1953 totaled $834,987 ($1,654,288 a year earlier). At March 31, 1953, current assets totaled $10,127,460 ($12,247,653), including cash and marketable securities of $882,569 ($1,977,487), while current liabilities amounted to $2,969,596 ($5,239,759). This left a working capital slightly lower at the end of the first quarter, amounting to $7,157,864 ($7,700,894 a year ago). The company sold a $6 million issue of 20-year debentures in April.

Canada Paper

Canada Paper Co. is a wholly owned subsidiary of Howard Smith Paper Mills Ltd. It manufactures kraft wrapping and bagging, rotogravure, envelope papers, box cover papers, paper bags, and a range of converted products including creped and crinkled paper, towels, waterproof building and wrapping papers and many specialties. The company's Windsor Mills, Que., plant includes a sulphate pulp mill, a two-machine paper mill and a converting plant. Its St. Francis mill, about half a mile up river from Windsor Mills plant, has two paper machines and an electrically driven groundwood mill. Combined annual capacities include 60,000 tons of kraft, wrapping book and specialty papers; 85,000 tons of kraft pulp; 10,100 tons of groundwood pulp; and 350 million paper bags.

Subsidiaries of Canada Paper Co. include Schofield Paper Co., operating wholesale warehouses in Saint John and Halifax; Canada Paper Wholesale Ltd., operating in Toronto and Montreal and merchandising chiefly books, bond and writing papers; and Kilgour's Ltd., which operates wholesale warehouses in Montreal, Toronto, Hamilton, London, Ottawa and Winnipeg.

During the year several new printers and cutters were installed in the converted products divisions while a new drum-barker and electrostatic precipitator was put in at the pulp mill.

Financial and operating statistics are consolidated with those of the Howard Smith Paper Mills Ltd. figures shown under the fine papers section.

Can. Wallpaper

Canadian Wallpaper Manufacturers Ltd., together with its subsidiaries, is the largest manufacturer of wallpapers in Canada. Trade names are Waterfast, Durawall, Sunworthy, Semi-trimmed and Sunworthy Waterfast.

Plants are located at New Toronto and Leaside, Ont. The Watson Foster mill at Montreal was closed this year in order to consolidate wallpaper manufacturing operations in the other two plants. The plant has been sold, and all of Canadian Wallpaper Manufacturers' property will have been removed by Oct. 31.

Dominion Colour Corp., New Toronto, former color department of Canadian Wallpaper Manufacturers, is now a wholly owned subsidiary. Empire Wall Papers Ltd., another wholly owned subsidiary, serves as a wholesale and retail outlet, operating several stores.

Consolidated net loss for year ended April 30, 1953, was $116,280 (equivalent to 90c per share on combined Class A and B stock). Refundable portion of previous year's income tax reduced operating loss by $62,294. In previous fiscal year, net profit was $59,194 or 46c per share on Class A and B stock.

No dividend has been declared payable for 1953. Previously, 40c per share was paid Aug. 8, 1952, and $1 per share Aug. 10, 1951.

Volume of wallpaper sales in latest fiscal year was below that of any corresponding period, said President Arnold Ashton. A drop in sales had been expected due to dealers' reduction of stocks in anticipation of the new line of wallpaper sets which was introduced this summer.

A new advertising program is scheduled to begin this fall, aimed at the "do-it-yourself" market. A new product, wallpaper adhesive, is to be introduced at the same time.

Net earnings of Empire Wall Papers Ltd. were reduced by increased costs, although sales were well maintained. Sales of Dominion Colour Corp. showed a substantial increase over preceding year, particularly from soft currency countries.

Capitalization outstanding at April 30, 1953, consisted of $260,000 4% serial debentures, due 1954-60, 25,638 n.p.v. Class A shares and 103,608 n.p.v. Class B shares.

Cons. Paper

Besides its newsprint and pulp operations, Consolidated Paper Corp. is an important producer of kraft paper and board and wrapper.

As of August, 1951, the company's Laurentide division at Grand'Mere and its Wayagamack division in Three Rivers and Cap de la Madeline, Que., had a total capacity of 16,324 tons of board and wrapper and 49,280 tons of kraft paper.

The company's kraft paper is sold under the trademark of "Wayagamack Pure Kraft" and is supplied in brown, white and colors for use in wrapping and converting. A considerable tonnage is used in the manufacture of multiwall paper sacks for cement rock products, flour, sugar, chemicals and fertilizers. Tissue papers, white and colored for wrapping, creping, waxing, twisting, and foil backings are also produced.

The company's cardboard is sold under the trade name of "Laurentide Board" and is used in the manufacture of cardboard boxes, composition wallboard, and as a mounting board for displays and many other purposes.

The company's total production from pulp and paper products in 1952 amounted to 829,676 tons, as against 849,893 in 1951.

Dom. Cellulose

Dominion Cellulose Ltd., Toronto, and its associated company, National Cellulose of Canada Ltd., manufacture face-cleaning tissues under the brand names of Face-Elle and Gibson's, Nancy brand toilet tissue, and miscellaneous sanitary paper products.

Dom. Envelope

Dominion Envelope Co., Toronto, manufactures envelopes, specialty bags, and converts Cellophane into bags, rolls and sheets. It has a complete packaging service.

There is no public investment in the company.

Dryden Paper

Dryden Paper Co. manufactures sulphite pulp, kraft, manilla and building papers. The company also owns a 40% interest in Woods-Dryden Paper Bags Ltd., which manufactures paper bags at Winnipeg.

Annual capacity of the Dryden, Ont., pulp and paper mills is 60,000 tons of sulphite pulp, of which 50,000 tons can be converted into finished craft paper and kraft paper products, with the balance being sold as dried pulp.

A $3.5 million expansion program is now under way to increase mill capacity to 80,000 tons per year from the present 60,000 tons. Expected to be completed by early 1954, the program was partially financed by the sale of a $2,250,000 debenture issue.

Capital expenditures during 1952 totaled $977,043, of which $210,413 was chargeable to the expansion program, with the balance being used to complete machine changes to increase paper production, a new train loading shed, and the modernization of the company's hydro-electric power plant.

In 1952 finished production decreased from 56,358 tons in 1951 to 53,577 tons, but average daily production increased on all four paper machines.

President and General Manager E. Lorne Goodall states that the reduction resulted from a weaker pulp market and loss of operating time in January and April on two machines rebuilt in those months. Paper production accounted for 72% of total products made.

During the year the company purchased Lac Seul Paper Co. whose operations adjoined the company's plant. By this purchase substantial timber limits were also acquired enabling the company to expand into the lumber market and integrate tie, pole and lumber operations.

Net sales during 1952 amounted to $8,375,189, as compared with $8,509,206 in 1951. Net profits were $1,098,285 as against $1,236,758 in the previous year. Working capital during the year increased from $3,785,792 to $5,997,197. The company's fiscal year ends at September 30.

Capitalization of the company at Sept. 30, 1952, consisted of $3 millions authorized, $2.7 millions outstanding 4% first mortgage sinking fund bonds, due June 1, 1961 and May 1, 1965; $2,250,000 5¼% sinking fund debentures during Dec. 1, 1966; and 300,000 authorized 205,000 outstanding n.p.v. common shares. At last report St. Regis Paper (Canada) Ltd. held 61,175 of the outstanding shares.

At March 31, 1953—end of half the company's fiscal year—sales totaled $3,793,069, as against $4,742,905 for the similar period of the 1952 fiscal year. Net profit was $371,698, as compared with $693,079. It was stated that substantially lower prices of unbleached kraft pulp resulted in reduced net profit, but that the diversification of all products with a reduction of market pulp as a percentage of total available production was continuing satisfactorily. The mill average daily production was reported steadily increasing, running 10% above the 1952 average.

E. B. Eddy

E. B. Eddy Co. as well as being a substantial newsprint and paperboard producer also makes a variety of fine industrial papers.

Products include, Cheneaux Bond for stationery and business forms, Ancaster Book for catalogues, calendars and books; Wellington Offset for letter press printing or stenography, Tecumseh Bristol for display cards and tickets, Post Card Bristol for post cards in a color; Guardian Index Bristol for file and index cards; Mohawk Bristol for tags, tickets and display material; Multiscrip Duplicating for office duplicating machines; and Multicopy Duplicating, a duplicating paper which can also be used for offset and letterpress printing.

Products manufactured for paper converted include; boxes for fruit packaging; cash registry and accounting machine rolls, Christmas seals, cigarette tubes; continuous forms, counter checkbooks, display signs, drinking and cake cups, envelopes, file folders, gift wrappings, gummed tape, paper cores, tubes, and lamp bulb wrappers, paper doilies, place mats, plastic and clay-coated paper, postage and revenue stamps, soda straws, tobacco wrappers, wax paper, wrapping for explosives, writing pads and exercise books.

Last year total sales of all grades were 118,755 tons compared with 131,165 tons in 1951, net profit amounted to $728,184, as against $1,406,694 in 1951.

Fraser Cos.

Fraser Companies Ltd. directly and through wholly owned subsidiaries, manufactures sulphite and groundwood specialty papers, chemical wood pulps, groundwood pulp, paperboard and lumber products.

The company owns sulphite and groundwood pulp mills, sulphite and sulphate bleaching plants and a paperboard mill at Edmundston, N.B.; an unbleached sulphate pulp mill at Newcastle, N.B., and saw mills and dressing mills at Cabano, Que., and Plaster Rock, N.B.

Through its subsidiary, Restigouche Co., the parent concern also controls a bleached sulphite pulp mill at Atholville, N.B., with a daily capacity of 190-260 tons, depending on quality and grade. Through Fraser Paper Ltd. it controls a modern, high-grade paper mill manufacturing bond, catalogue and waxed papers at Madawaska, Maine.

Extensive forest reserves are required to ensure continued operations of the company's mills. The company has acquired forest areas of over 3.5 million acres in the Province of New Brunswick and the eastern part of Quebec. Approximately 28% is owned by the Fraser Companies, while the balance is Crown land held under license with exclusive cutting rights.

Power for the Edmundston operations is purchased from Gatineau Power Co., with a small amount being generated by the company's own hydro and steam turbine plants. The mills of Fraser Paper Ltd. and Restigouche Co. are supplied by their own steam generators.

In 1952 net sales declined from the 1951 all time high of $52,994,003 to $47,188,123. Net profit was down from $5,433,663 to $3,455,575. Total production of pulp and paper amounted to 227,779 tons

(Continued on page 63)

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There's Tax Cloud But B.C. Pulp, Paper Outlook Is Buoyant

VANCOUVER — Problems resulting from higher production costs and new taxation, coupled with uncertain markets, have been facing British Columbia's pulp and paper operators.

While these problems clearly indicate that immediate prospects for the industry may not be as favorable as they have been during the past few years, the buoyant feeling and expansion on the West Coast continue.

There has been a slowing-down in new construction and installation—a boom can't last forever; but generally speaking this area still remains close to the centre of activity in the field of pulp and paper development, and there is little reason to doubt that it will continue to do so for a considerable period.

"After all," remarked one leader of the industry, "we have almost every factor on our side. We have the wood and the water and the cheap hydro power, and we have access to cheap water transportation to world markets. Also, we now have a substantial reserve of skilled workers which we didn't have a few years ago. There is practically nothing that is not in our favor. So, over the long term, how can we lose?"

The Tax Proposal

This executive was careful to speak of the long term. Had he been pinned down to a discussion of the short-term prospects he might have been a little more hesitant, because apart from the continued weakness in the market for pulp the industry is not too happy about certain proposals by British Columbia's Social Credit Government that seem likely to be passed at the September session of the Legislature.

The government's proposals relate to taxation. On the legislative slate at present is a 10% tax on profits of corporations engaged in utilization of raw resources such as timber. Companies whose profits are less than $25,000 a year would not be affected. The government's plan, as announced by members of the Cabinet, is to apply the tax only on "those who can well afford it"; the so-called "little man" would be exempt.

The second tax which the Government proposes is one of 1% on all timber held by license or lease and which is not covered by forest management licenses.

Both these measures were announced by Premier W. A. C. Bennett's Social Credit Government early last spring during the legislative session. They were both protested by the industry on the ground that the levies would be difficult to impose without considerable confusion and without working an unfair hardship on certain companies, and that they were also untimely inasmuch as the market for all forest products had been in decline.

The Government's answer to this was that companies engaged in exploitation of natural resources such as timber and mines had never paid an appropriate levy to the provincial treasury, and that it was felt that a 1% tax on old timber stands would discourage speculation.

"There have been instances where timber has been held for many years by wealthy individuals or corporations for the single purpose of making a speculative profit," said one government representative. "We want to make sure that the timber gets into the right hands and that it is made to contribute to the province's economy rather than to the bank account of some speculator."

Little For Speculation

Theoretically, that might be a sound argument except for the fact that most of the so-called speculative interest in British Columbia timber has long since been reduced to a negligible factor. In the first place, the government itself owns more than 85% of all the forest in the province. The timber held privately is mostly in the form of old leases and licenses granted many years ago, and most of this timber is now in the hands, not of speculators, but of operating companies which plan to utilize the timber in an orderly fashion as a part of their long-term program of development.

Politically, the Government feels that it has a mandate to make both these levies effective inasmuch as they were announced before the June election and the Social Credit Government was returned to power. But industry still feels that inadequate consideration has been given to the proposals and that financial considerations have been allowed to dictate policy over considerations of good forestry.

The government is careful to apply the 1% tax on timber that is not included in forest management licenses. While the forest management plan (whereby private companies undertake a long-term program of utilization on a sustained yield basis according to terms agreed to by the Government, and with the aid of additional adjacent government timber to round out the total holdings involved in the program) has been adopted by several companies and applications have been made by others, large areas of forest are still not included, and usually for logical and practical reasons.

Some of the companies that have so far withheld their holdings from the forest management program point out that the implications of the plan are serious and that in effect the scheme gives the Government extremely wide authority over private enterprise.

In some cases there is no objection to the plan. In cases where one company has control over most of the timber in a certain area it is a relatively simple proposition and the forest management license works to the undoubted advantage of all concerned.

Inherent Complications

In other cases, however, where there is a multiplicity of operations competing for essentially the same timber, the province has already seen how easily complications can arise in such a situation. If one company is favored and the management license is awarded to it, the companies that have been using that timber or have been contemplating its use naturally have a grievance.

Government foresters, supporting the forest management plan, contend that it is the only program that will guarantee continuity of operation of the forest industry and that will eliminate forever the ruinous practice of "cut and get out." They are probably right, but they haven't yet come up with a solution for all the intricate problems that have arisen in some areas and that have prevented some important companies from entering wholeheartedly in the forest management program. These companies believe that they should not be discriminated against through the imposition of the 1% tax which in effect would hit probably less than a dozen companies, all of them major operators.

There is no doubt that the proposed levies will be further discussed and that additional protests will be filed, although the present mood of the Government is to pass them regardless. Basically, it is a matter of finance. The Government is committed to a program of pay-as-you-go on public works, for instance; it is opposed to the idea of financing through loans except to meet special situations. And it regards the forest industry, which contributes about 45% of the province's natural wealth, as one tempting place to find the money.

Consolidation Trend

The trend continues to be toward consolidation in British Columbia's pulp and paper industry, and an important step in this direction was taken a few weeks ago when Canadian Western Lumber Co. formally passed into the control of Crown Zellerbach Corp. of San Francisco.

Actually this was not such a revolutionary move as might be supposed. Crown Zellerbach has always been the parent of Pacific Mills, the big pulp and paper manufacturing organization with plants at Ocean Falls and Vancouver, and more than two years ago Pacific Mills and Canadian Western, one of British Columbia's biggest lumber and plywood producers, entered into a partnership for the building and operation of Elk Falls Co., whose big new newsprint mill at Duncan Bay went into production last year. So Canadian Western really became closely associated with Crown Zellerbach through its participation in the Elk Falls deal. Through an exchange of shares, completed this summer, Canadian Western becomes more closely identified with Crown Zellerbach.

This association will have advantages both for Canadian Western and Crown Zellerbach by making it possible for more effective economic utilization of the raw materials and the plants held by the two companies. As J. D. Zellerbach, president of Crown Zellerbach, stated in Vancouver recently, one of the first sequels of the deal will be expansion of the Elk Falls mill either through doubling the newsprint capacity or launching a pulp mill. This may come within a year or it may be held in abeyance for a while, depending on the state of the market.

In a sense the deal is a lifesaver for Canadian Western whose big sawmill at Fraser Mills on the Fraser River may near the end of its supply of large saw logs within the next few years, although its holdings of smaller, second growth timber suitable for pulpwood are enormous.

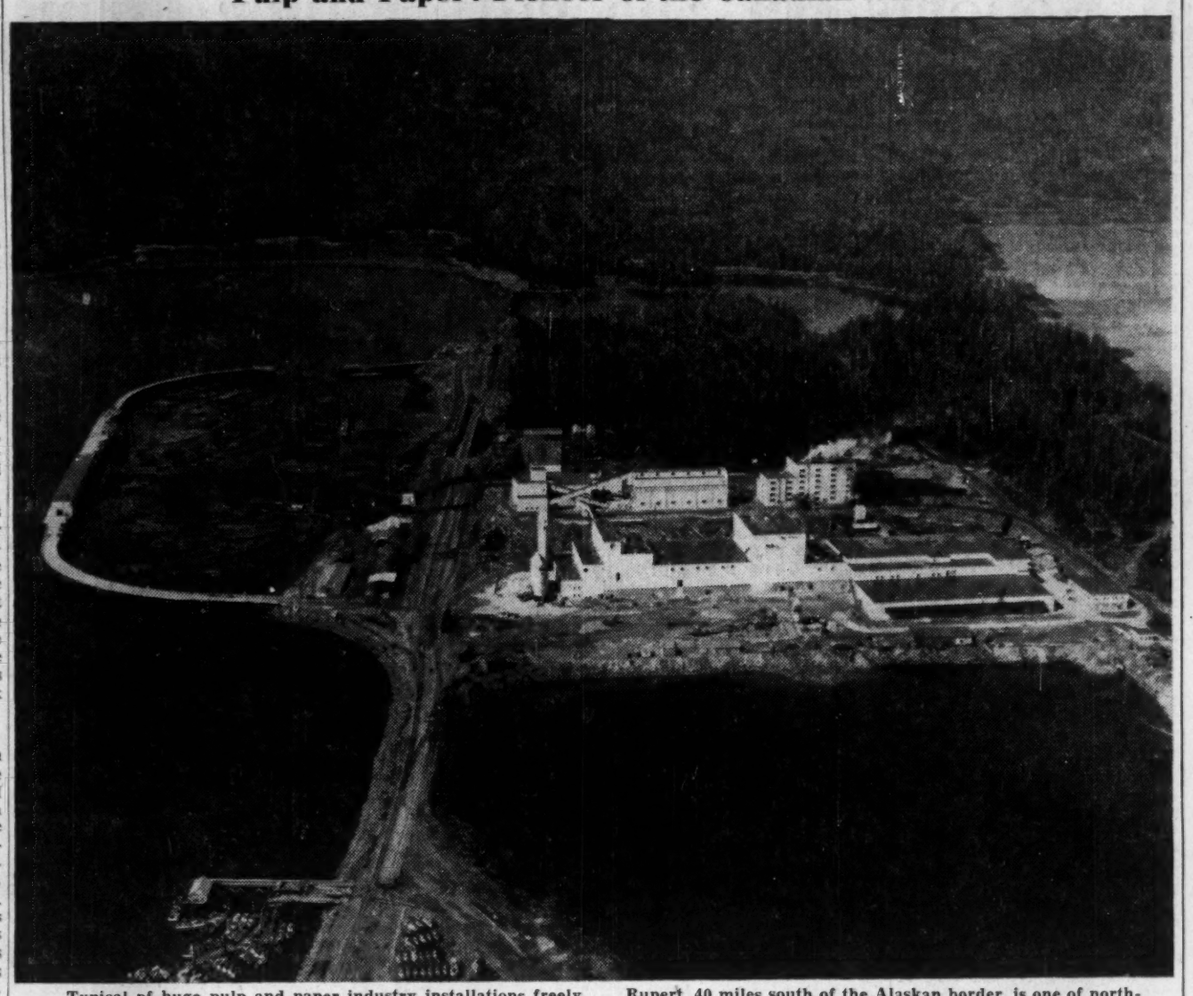
Now that Canadian Western is a part of the Crown Zellerbach organization saw logs from the C-Z pulp mills will be made available to the sawmill on the Fraser, enabling it to carry on indefinitely.

It was in line with a similar objective that induced Powell River Co. a few years ago to take over a group of sawmills and logging camps headed by B. C. Manufacturing Co. at New Westminster. Powell River Co. thus became the owner of processing plants that could profitably use saw logs diverted from the big pulp and paper mill and at the same time gained access to the extensive pulpwood holdings of Salmon River Logging Co., which was a part of the B. C. Manufacturing Co. setup, and other subsidiaries.

This consolidation with a view

(Continued on page 64)

Pulp and Paper: Pioneer of the Canadian North



Typical of huge pulp and paper industry installations freely sprinkled across the Canadian north, this $27 million dissolving pulp plant of Columbia Cellulose Co., near Prince Rupert, 40 miles south of the Alaskan border, is one of northernmost industries in the Hemisphere. Output: 70,000 tons of high alpha pulp annually.

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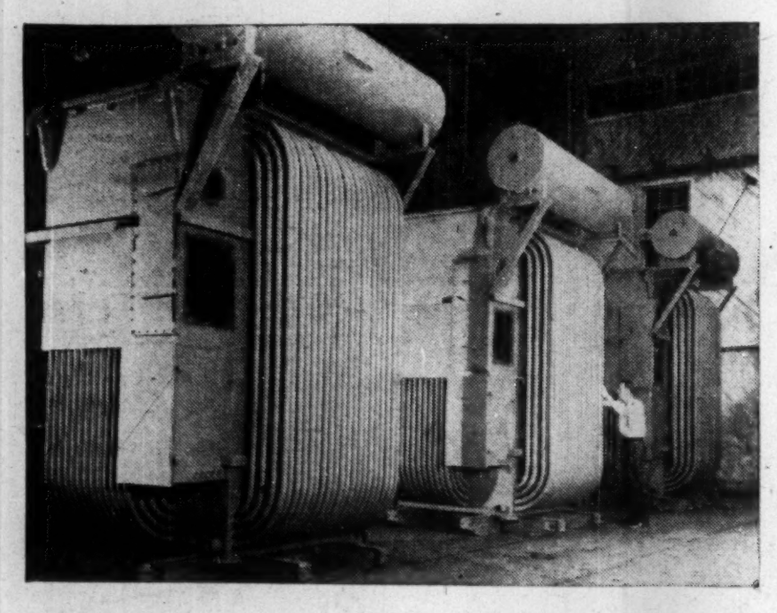

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GROWTH MARKET

Packaging Industry Steps Up Demand for Paper Products

Paperboard, Bags, Gain Wider Use

Year by year paper is taking over a larger percentage of the multimillion-dollar packaging industry in Canada.

No one can estimate to what extent paper products have displaced wood and cloth in the packaging field within the last few years, but most experts agree that the boost has been "enormous."

For example, there's the multi-walled paper bag. The paper companies have been making them for almost a decade. Today the multi-wall bags are taking over from jute and cotton at an unprecedented rate in the flour, cement, feed and chemicals industries.

The multi-wall bags are made of laminated kraft paper with a moisture-proof barrier. They'll keep out dampness, insects and dirt. And they won't leak.

Five years ago a manufacturer might have laughed at the idea of shipping heavy, easily damaged equipment in cardboard boxes.

But modern research in corrugated cardboard has changed all that. Today manufacturers are shipping stoves, refrigerators, steel furniture and radios all over the world in cardboard containers.

"One of the more pronounced trends of recent years is the design of corrugated containers along sound engineering lines, as compared with the former practice of having a package designed from various ideas which were not based on scientific facts," states J. McK. Limerick, research director of Bathurst Power & Paper Ltd.

Research Revolution

Modern engineering and research have revolutionized the cardboard packaging field. The larger companies have established completely equipped scientific development divisions to compete for the growing markets.

Here are a few of Bathurst's latest developments:

—The Bathurst Retripper, a special corrugated box used for multiple trips within the beverage industry. It's lighter in weight and handier than the wooden cases used before.

—Aluminum lined corrugated board; it's lined on either one or both sides for insulation boxes for fresh fish, meat and other perishable foods. It's also greaseproof.

—Expendable pallets of corrugated fibreboard, to replace wooden shipping pallets. Shippers simply pile packages or paper bags on the pallets and the whole is shipped as a single unit. The receiver can throw away the fibreboard pallet.

—Corrugated containers with Kimpak, for added protection in shipping furniture, enamelware and the like. The cellulose wadding Kimpak (a Kimberly Clark product) can be applied directly to the inside of the container or to spots where there might be abrasion in shipment.

—Glued joint, of weatherproof glue, is stronger by test than taped or stitched corner joints used today, Bathurst claims.

After passing through series of rollers and cogs, product is cut into sheet of cardboard to be used for shipping cartons in multimillion-dollar packaging industry Paperboard, other paper products are replacing traditional packaging materials on an increasing scale. This machine utilizes waste paper, helps conserve Canadian forest.

The engineers have even found a method of making corrugated cardboard more rigid, Bathurst, for example, has developed a cardboard of considerable rigidity called "BCM." In special cases two sheets of "BCM" can be combined to make a stiff board known as Rigidflute.

Probably one of the most important developments in packaging of recent years is corrugated fibreboard containers for vacuum cooled lettuce, being developed in Canada by Hinde & Dauch Paper Co.

The new process, said Hinde & Dauch, "may eventually have as great a significance in connection with packing of certain vegetables and fruits as the quick freezing has had in connection with other fruits and vegetables."

How It Works

The process relies on the principle that the boiling point of water is dependent on atmospheric pressure. Water boils at 212 deg. F, at normal atmospheric pressure (760 mm.). But if the atmospheric pressure is dropped to 4.6 mm., water evaporates at 32 deg. F.

If pressure were reduced like that in a chamber full of lettuce, it would create a tremendous vapor pressure which demands heat. The only place the heat could come from is the lettuce itself.

In a few minutes the process can lower the temperature of the lettuce from 60 or 80 deg. to 30 and 40 deg. Furthermore, the lower temperatures are evenly applied throughout the chamber right into the heart of each head of lettuce.

Before the vacuum cooling process was developed, there were only four ways to cool lettuce: car precooling, house precooling, immersion, and icing in cars.

These processes were relatively expensive and time consuming. Vacuum cooling can ready a lettuce shipment within an hour and a half.

By using the vacuum cooling system, lettuce growers can pack the lettuce in cardboard boxes right in the field, with the resulting savings in handling, shipping, receiving and so on.

In July and August this year, large lettuce growers and packers in the Bradford area of Ontario, along with experts from Hinde & Dauche, conducted extensive experiments with vacuum cooled lettuce in weatherproof corrugated boxes.

The results were gratifying, and said Hinde & Dauch: "The prospects for the advanced use of corrugated boxes for packing lettuce is retarded solely by the lack of vacuum equipment."

Hinde & Dauch expects to see vacuum cooled lettuce in corrugated boxes being shipped around Canada on a commercial basis sometime in 1954.

Under existing methods of cooling lettuce, some 30 lbs. of extra ice is used to cool each wooden case in a refrigerated boxcar. Vacuum cooling eliminates the ice, and makes cardboard packaging possible.

Cuts Down Waste

The elimination of ice may also cut down bruising and ice burning, as well as discoloration and super-saturation that sometimes results from excessive wetting. The elimination of water also may suppress bacterial slime and mold.

Hinde & Dauch's corrugated lettuce box holds from two to two and a half dozen heads of lettuce. It measures 20½ in. by 13½ in. by 9½ in. Its specifications call for combined board testing 275 lb. dry, and 100 lb. after 24 hours immersion in water.

The box is weatherproof. Its liners are of the wet strength type, and the corrugating medium is treated by sulphur impregnation, or with a plasticizer of equivalent properties.

Just how much does a cardboard box of that type save in freight costs alone? Hinde & Dauch has worked out the answers:

The standard wood crate has a tare weight of 9½ lb. to 10 lb. The net weight of the lettuce in the wood crate ranges from 68 lb. to 68½ lb. So the gross weight would be 77½ lb. to 78½ lb., and the average standard billing is 78 lb.

The fibre box, about half the size of a standard wooden crate, has a tare weight of 2 lb., holds a net weight of 34 lb. to 42 lb., and the gross weight is 38 lb. to 44 lb.

Comparably (two corrugated to one wooden case), the corrugated boxes would have a tare weight of 4 lb., hold a net weight of 72 lb. to 84 lbs. and have a gross weight of 76 lb. to 88 lb.

Since the fibre boxes are billed at 75 lb. (37½ lb. each) there would be a saving on tare weight of 5½ lb. to 6 lb., an increase in the pay weight up to 15½ lb. and averaging a little better than 7 lb. But the billing weight on the whole would be 3 lb. less than the billing on wooden crates.

Furthermore, using the vacuum cooling process, there would be the saving of the 30 lb. of ice per crate, the railway's saving on hauling that ice and the top ice for the cars, and the elimination of paper linings used in wooden crates.

Gaining Momentum

The process of new design never stops in the paper packaging industry. New products need new packaging, and the paper industry is keeping pace right down the line.

J. C. Colclough, general manager of Hendershot Paper Products Ltd., summed it up when he stated: "Corrugated is steadily replacing many heavier and more costly packaging materials. Our industry is gaining momentum with the ever increasing interest that is currently apparent in the packaging field."

The Specialty Paper Firms

(Continued from page 61)

as against 256,173 tons for the previous year. Sales of lumber products amounted to 29,284 million board ft., as compared with 26,563 million board ft. during 1951.

President Aubrey Crabtree states that the demand for all grades of pulp declined during the year and resulted in curtailment of operations of mills as well as reduction in prices. The amount of paper and paper board also fell off and by midyear the backlog of orders had suddenly disappeared. The mills, however, were able to maintain reasonable operations throughout the year, although shorter runs involved more frequent changes on the machine.

"Higher freight rates have meant a decrease in revenue for many of the products sold and also have been a factor in the decreased cost of many materials consumed or used in connection with the manufacture of various products," he adds.

Capital expenditure during the year totaled $3,019,528, as compared with $3,479,512 during 1951. The money was spent in a con-

(Continued on page 64)

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Pulp, Paper Outlook Buoyant in B. C.

(Continued from page 62)

to making maximum use of both natural resources and plant facilities is a process that has been going on in British Columbia for the past decade. A notable example was the purchase of Howe Sound Pulp Co. by Canadian Forest Products and other interests. Previously, Canadian Forest Products operated sawmills, shingle mills and a plywood and hardboard plant. It seemed logical to enter the pulp field, too, so when the Port Mellon mill that had been operated during the war by Sorg Pulp Co. for the production of unbleached sulphate pulp became available, CFP stepped in and bought it.

Only recently the Howe Sound Co. mill was completely modernized and it is using chips from the Canadian Forest Products sawmills as its exclusive raw material supply. Waste has thus been turned to profit.

Similar circumstances induced Alaska Pine Co., which had previously produced only lumber, to enter into a partnership with Abitibi Power & Paper Co. for the purchase of two bleached sulphite pulp mills operated for many years by the British Columbia Pulp & Paper Co. at Woodfibre and Port Alice. Creation of Alaska Pine & Cellulose Co. resulted from this association, and today it is a fully integrated operation able to make the best possible use of its raw timber supplies.

Somewhat different were the motives leading to the merger of H. R. MacMillan Export Co. and Bloedel, Stewart & Welch a few years ago because both companies were already engaged in the production of lumber and unbleached pulp on a fairly large scale. But the merger enabled the two companies to mesh their operations more profitably from the standpoint of efficient utilization and production, and there were also some taxation benefits worthy of consideration.

MacMillan & Bloedel, child of this merger, is today one of the world's greatest forest industry enterprises, and it is at present completing an important step in expansion at its pulp mill at Harmac, south of Nanaimo, where some $18 millions has been spent on doubling capacity and installation of a bleach system that will make the mill one of the biggest producers of its kind anywhere.

This is the largest single example of current expansion in the West Coast industry, but nearly all the companies have carried out improvements and enlargements which in total add up to a considerable figure. Among them is Columbia Cellulose Co., which will soon be producing 300 tons of bleached pulp as a result of the installation of additional digester capacity, water treatment and other facilities.

Columbia Cellulose Co. will be selling pulp elsewhere, but it also has a close tie-in with Canadian Chemical Co., whose big new plant at Edmonton recently went into production. Pulp from Columbia's mill near Prince Rupert will be used for the manufacture of fibres at Edmonton.

Arrow Lake Plan

Columbia Cellulose, of course, is a subsidiary of Celanese Corporation of America, and this company through another subsidiary, Celgar Development Co., has long-term plans visualizing the establishment of an integrated forest industry on the Arrow Lakes. This enterprise calls for the ultimate investment of $65 millions and it is probable that the construction of the first plant at the Castlegar site will be started during the coming year. Meanwhile the organization is being gradually built up so that when the mills are established the company will have a complete forest survey and access road program worked out, ensuring a perpetual supply of timber.

Celanese Corporation, through its Columbia Cellulose Co., was the first company to apply for and receive a forest management license, covering a vast sweep of forest land in the Skeena River country far from other processing operations. It has also received a management license for some one million acres of timber in the Arrow Lakes country, although competing interests put up considerable opposition at first.

The next big developments in British Columbia's pulp and paper industry will depend a good deal on the attitude of the new Government. If its policies indicate that private initiative will be rewarded and need not fear confiscatory taxation or hamstringing regulations, the abundance of essential raw materials will undoubtedly encourage new and greater investment in the province.

But until the Government has carefully charted its program and made it clear what its aims are, there may be a period of hesitancy before big new undertakings are announced. This does not imply that industry fears the British Columbia Government; indeed, it has had several demonstrations that Premier W. A. C. Bennett's Socred administration wishes to encourage industrial expansion. But it wants to be reassured, and the best form of that is performance.

Significant Applications

Several applications for forest management licenses are pending, and the Government has not yet revealed its hand on these. It seems likely that now an assured majority exists in the Legislature, the Government will be able to move forward quite promptly. Among the applications for licenses are those from Hecate Development Co., East Asiatic Co., Westminster Paper Co. and Western Plywood Co.

All these are of special importance because they represent groups that already have a large financial stake in the province and are active in the forest industry. If the forest management licenses are granted on favorable terms, it is probable that plans will go ahead for the establishment of pulp mills at sites to which the forests involved are tributary.

Hecate Development, for instance, represents a partnership of Powell River Co. and Aluminum Co. of Canada which has already conducted a survey to determine the pulpwood possibilities in the area easily accessible from Kitimat, where Alcan is now building a big aluminum smelter to go into production next year. When the Kemano power plant serving Kitimat is complete there will be considerable surplus power and this, in combination with the abundant timber resources of the area, provides the essential background for a pulp or paper mill. Hecate Development is ready to proceed with plans as soon as the Government approves the application.

East Asiatic Co., headed by Prince Axel of Denmark, is primarily a shipping company, but it has extensive timber interests on Vancouver Island and two sawmills. It has plans for the development of a great wood-utilization empire on the west coast of the island and while there has so far been no public announcement that a pulp mill is included in the program, such a development is regarded as obvious should favorable terms be obtained.

Plans For Interior

Westminster Paper Co. has been seeking concessions in the Prince George area which, if granted, would lead to the establishment of a pulp mill there. This company now operates a large paper mill in New Westminster, and its capacity was doubled only recently through the installation of a new machine. This company is anxious to expand its facilities for the supply of pulp and, if the license is granted, Westminster Paper Co. plans to go ahead with development in partnership with a company so far not identified.

Western Plywood Co. has also been looking for additional timber in the Quesnel area to supplement its own supplies now being developed principally for the use of its plywood mills at Vancouver and Quesnel. A forest management license whereby the company would be able to augment its timber supplies would provide the necessary long-term backlog to permit construction of a chemical pulp mill near Quesnel.

The Government's over-all policy is being based to some extent on data now being gathered to determine the extent of the forests of British Columbia. The province has been carrying out, in co-operation with the Federal Government, a survey of all timber in the area. Were the forests of only a few acres in extent the undertaking would be relatively simple, but it is estimated that the over-all area bearing merchantable timber covers some 75 million acres out of a total area of 234 million acres, and in addition there is a considerable volume of timber not at present rated as commercial although of potential value.

The process of tallying the extent and nature of the timber is a continuing one, with crews moving from one area to another during the summer months, returning to Victoria in the autumn to compile the data which they have accumulated during the spring and summer.

Getting Detailed Picture

The provincial forest service has had an inventory of its forest resources, of gradually increasing exactitude, since 1917. In the old days, of course, the foresters had only primitive methods of computing the extent of the forest and guesswork was depended on a good deal. Today, however, with air photography to double-check the work of the ground surveyors, there is very little margin for error.

Three years ago the Canadian Government undertook to share the cost of the inventory, recognizing the national importance of such data, and its work has been effectively dovetailed with that of the province. Base maps and photo laydown maps covering the areas being surveyed require more than a year for preparation in advance of departure for the field.

Extent of the timber available for commercial exploitation has been greatly increased in recent years through the development of new methods of logging which have made it possible for loggers to take out timber from the higher elevations previously regarded as inaccessible. Now, logs can be graded for plywood, sawmills, board mills, shingle mills as well as pulp and paper mills, thus eliminating wastage that used to be inevitable when only one or two uses could be made of the raw material. Chief factor in making this integration for greater utilization possible is the pulp and paper industry with its ability to use many of the cull logs previously discarded—broken logs, small trees, and sawmill and plywood debris.

It is estimated that 85% to 90% of the kraft pulp mills in British Columbia operate on recovered wood, or wood that previously would have been left in the forest or burned in the mill refuse heaps.

British Columbia now has 13 pulp and paper mills operated by 10 companies. Pulp and paper always being a stable and permanent type of industry because of the great capital investment required, the integration of sawmilling, plywood and pulp manufacture that has taken place during the last few years in British Columbia has tended to stabilize the province's forest economy to an extent that had never before been possible. Effects of market fluctuations have been minimized.

Back of every employee in the industry in British Columbia there is over $22,000 worth of plant and equipment, according to an estimate of the Western Branch, Canadian Pulp & Paper Association. Probably the one factor exerting the most influence on its permanence is the essential need for a perpetual supply of raw material—living trees of the required species.

Step Up Conservation

For that reason the permanent nature of the industry dictates that it will constantly employ protective measures, and practice sound forestry in order to ensure for itself an adequate and lasting supply of raw material.

While most of the expansion in recent years has been concentrated among the larger operators, the small tree farmer has received an opportunity on the West Coast as a result of the pulp industry. Special legislation offers inducements to those who wish to maintain and harvest their forest crops on an orderly basis, and the pulp mills provide the ready market for the wood.

The industry in British Columbia consumes about 715 million board feet of wood, or about 14.4% of the total log cut of the province's coastal forest area. The wood species comprising this total are approximately 89% hemlock and balsam, 9% spruce; and Douglas fir and cedar the remainder.

Value of the production of the industry is at present about 31% of the value of the total output of all forest industries in the province.

The various manufacturing processes of the industry convert wood cellulose into many different pulp and paper products including rayon and dissolving pulps. In so doing the dollar value of these products increased at least 30% more than lumber products manufactured from the same quantity of wood.

In the 12 years ending in 1952, wages in the West Coast pulp and paper industry have increased 168%, from a base of 56 cents an hour in 1940 to a base rate of $1.50 in 1952.

According to the 1952 statistics, the latest available, the industry employed 7,351 persons in mills and administration. Total payroll including mills and logging was $35.1 millions and the total value of products $158.3 millions. Total current valuation of plants was set at $204 millions. Estimate total production of pulp and paper this year is in excess of one billion tons.

Our Wood Pulp Production

	— Production —		— Exports —	
	1952	1951	1952	1951
Bleached Sulphite	773	847	569	607
Dissolving	378	409	339	375
Paper Grades	395	438	230	249
Unbleached Sulphite	1,594	1,698	432	555
Sulphate	1,109	1,217	645	709
Bleached	561	557	491	476
Unbleached	548	681	154	233
Soda & Semichemical	106	118	29	33
Chemical Screenings	70	87	5	10
Mechanical	5,102	5,172	255	323
Mechanical Screenings	44	43	6	6
Total all pulps	8,799	9,315	1,940	2,243

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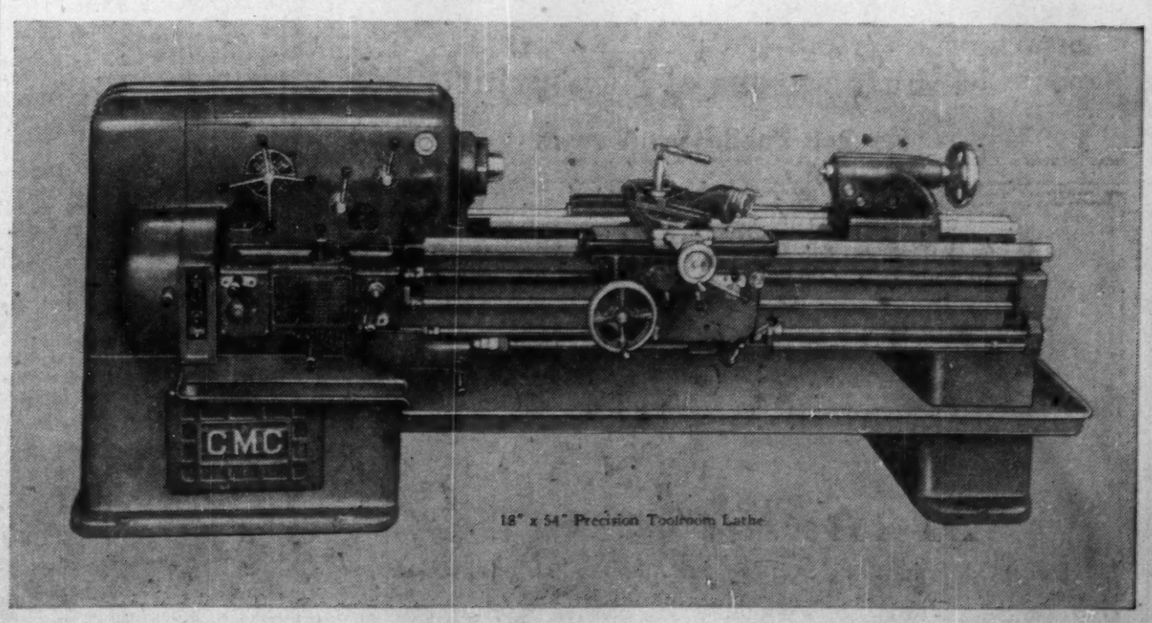

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BIGGEST INDUSTRY

More Wealth From Forests of Nfld.

Expansion Goes On; Ready to Open More Remote Areas

By RUPERT JACKSON

ST. JOHN'S—Pulp and paper has become Newfoundland's biggest industry, with total value to the province of an estimated $39.6 millions this year. This is through the efforts of two pulp and paper mills only.

The mills: Bowaters (Newfoundland) Pulp & Paper Mills, Ltd., with a huge integrated pulp and paper mill at Corner Brook; and Anglo-Newfoundland Development Co. at Grand Falls.

Since the war, both mills have been constantly expanding, boosting production and payroll. Biggest program in this respect is that of Bowater's which recently completed a major $10 millions expansion, and is now in the process of further expansion costing nearly $4.5 millions.

Under the $10 million program a new four-roll newsprint machine was installed in 1948, and this is now running close to 1,700 ft. per minute. The other five older machines have been modernized for higher speeds. As a result the newsprint capacity of the mill, which at the end of the war was running at 650 tons per day, is now nearing the 1,000-tons-per-day mark.

This has brought several of the mill departments to the margin of their capacity, and the new $4.5 millions program is designed both to increase capacity and to modernize the systems, so that full efficiency may be possible and the way cleared for further progress. In the sulphite mill a new sulphur plant has been installed and is now in operation, and a ninth pulp digester is being added. A new sulphite screen room is being built and with alterations to the groundwood system a modern and fully flexible stock system will be available at all stages.

To give added capacity of steam and power, a new high pressure boiler is now in course of erection, and from this will be fed a 6,000 kw turbine generator. Delivery of the turbine is not expected until 1956, but the boiler will be in operation early next year.

Record Daily Output

As a result of these improvements up to the end of September this year, papermakers have hung up a record. They have reached the highest rate of average daily output in the history of the mill.

They will have produced by Sept. 30 this year:

	Tons
Newsprint	296,000
Unbleached Sulphite	37,000
Miscellaneous	5,000
Total	338,000

(This total output is not quite so high as in the previous year, when the mill ran at 5% over normal levels by means of Sunday operation.)

To keep up with the demand for wood, the cut for the 1952-53 season amounted to nearly 600,000 cords, of which 16% was for export to the United Kingdom.

Bowater's expects that in the foreseeable future demand will remain constant for both pulp and paper, and that the mill will be pressed constantly to the limit of its capacity.

In Grand Falls, Anglo-Newfoundland Development Co., expects next year to complete a $16 million program which will boost rated capacity of the mill to 230,000 tons.

This program began in 1949. In 1952 actual capital expenditure for that year was $4.6 millions, and this year capital expenditures are expected to reach $2.3 millions. So far rated capacity of the mill has been boosted to 217,000 tons as compared to 189,726 tons in 1950.

Actual production of the mill in 1952 and estimated production for 1953 follows:

	Actual 1952	Estimated 1953
	Short tons	
Newsprint (Invoice weight)	222,264	223,500
Dried unbleached sulphite (air dry)	7,007	6,000
Lapped Groundwood (air dry)	237	.....
Wrappers	4,379	4,500

Concentrates Business

In order to devote all its time and energy to the mill itself, the management of Anglo-Newfoundland Development Co., during this year has divested itself of some of its town service subsidiaries. In this connection the company's town carpenter and plumbing shops have been handed over to private concerns. The company has ceased the distribution of milk, now done by the Brookfield Ice Cream Ltd.

Since the expansion and modernization program began in 1949 the company has installed new grinders at Grand Falls, has converted the steam plant from coal to oil burning units, has improved ventilation and exhaust systems in all machine rooms and has speeded up all seven paper machines.

Other phases of the program include: installation of four 5,500 hp. hydraulic turbines at Grand Falls; bringing a complete new wood handling system into operation; agitation in mill stock chests improved; Bishop's Falls groundwood mill will be closed and converted into a power plant; three new digesters installed, and the finishing room redesigned.

Besides these two major operations, definite plans are at last being made to utilize the 40 million cords of pulpwood in the forests of Labrador. An outside firm, International Forest Products, this year did a survey of timber stands in eastern Labrador, and two local corporations, Newfoundland & Labrador Corp. and British Newfoundland Corp., are planning Labrador timber operations.

Both these plans are very much in the early stages at the moment. Both hold extensive timber, mineral and water power rights in Newfoundland and Labrador, and of all the holdings, the timber is the only resources about which very much is known.

It's understood Newfoundland & Labrador Corp. is planning a timber cutting operation next summer in the Kenamu River area of Lake Melville in eastern Labrador, with an original target of 30,000 cords, gradually increasing the cut to 100,000. The corporation's timber engineer, Karl Lapins, has spent all this summer in the bush in the Kenamu area investigating timber stands.

British Newfoundland Corp. is also understood to be planning a cutting operation in the Lake Melville area, but details of this are unknown. As both Bowater's and Anglo-Newfoundland Development Co., are partners in British Newfoundland Corp., the corporation would, at least, seem to have a ready made market for its timber.

How Specialty Paper Firms Are Faring

(Continued from page 63)

tinued program of improvement and modernization which has been going on for several years. It provides for greater utilization of the company's own pulp in manufacturing paper and paper board with some expansion in market sales.

Working capital at Dec. 31, 1952, totaled $10,378,321, as compared with $9,512,936 at the end of the previous year.

Profit for the first six months of 1953 amounted to $1,334,488, compared with $2,478,626 for the same period 1952.

"All mills operated at reasonable levels with the exception of the bleached sulphite pulp mill of Restigouche Co., which continued to operate on a curtailed basis. A further weakening in prices and increases in Canadian freight rates have affected the revenue of several products manufactured, particularly market pulp," President Aubrey Crabtree stated.

Glassine Co.

Canadian Glassine Co. has recently completed a $1 million paper mill at Quebec City, adjacent to the Anglo-Canadian Pulp & Paper Mills Ltd. plant.

The company is a subsidiary of Deerfield Glassine Co., Monroe Bridge, Mass., manufacturers of glassine and specialty papers.

Pulp is supplied by Anglo-Canadian, which has a small interest in the new company.

Interlake Tissue

Interlake Tissue Mills Co. manufactures a wide range of paper specialty products at its Merritton, Ont., plant. These include paper napkins, towels and allied products. Plant and equipment improvement carried on in recent years has enabled company to increase production substantially above former level of 10,000 tons a year.

Interlake is a privately owned company and does not publish details of its financial resources. At latest report, capitalization stood at $625,000 in shares of $100 par value.

Kimberley-Clark

Kimberley-Clark Corp. of Canada, a wholly owned subsidiary of Kimberley-Clark Corp., Neenah, Wis., operates a cellulose wadding mill on the Kapuskasing River in Northern Ontario. Two creped wadding machines are used.

Operations during the first half of the fiscal year ended April 30, 1953, were unsatisfactory, said company's annual report, but gradually improved until current operations approached a capacity rate.

Company continued to take depreciation in excess of normal. Consolidated earnings of Kimberley-Clark Corp.'s Canadian subsidiaries were $1,282,742, down 64.8% from $3,649,863 in previous year.

At April 30, 1953, Kimberley-Clark Corp. of Canada and Long-Lac Pulp & Paper Co. had consolidated current assets of $15,637,216 ($15,260,694 a year earlier), current liabilities of $3,251,374 ($5,889,209) and consolidated surplus of $8,040,604 ($6,767,682). These figures are in U. S. dollars.

Minas Basin

Minas Basin Pulp & Power Co. besides its major groundwood pulp operations has a paperboard mill with 50 tons daily capacity at Hantsport, N. S.

A complete range of boards is produced, including dunnage paper, builders sheathing, folding and nonfolding grades of chip boards, pulp board, test liners and lathboard. The board mill, consisting of two buildings, is located adjacent to the company's groundwood mill. Net profits for 1952 amounted to $273,770 as against $240,055 for the previous year.

Perkins Tissue

Perkins Tissue Mills Ltd. manufactures a diversified line of paper products including printed and plain wax papers, paper napkins, crepe papers, gift wrapping papers, shelf papers, serviettes, table covers and box cover papers.

The company has a Montreal plant and its products are distributed throughout Canada by large paper distributors and chain and department stores.

Also manufactured is a comprehensive line of printed Cellophane, foil, candy wrappers, fish wrappers, confectionery papers and wax papers.

The company was originally incorporated in 1930 by B. F. Perkins and J. F. Perkins of the American Tissue Mills, Holyoke. In July, 1937, the common stock was purchased by Perkins Paper Products Ltd.

Price Bros.

As well as its main newsprint operation, Price Bros & Co. produces a substantial amount of other paper products.

At the company's newsprint mill at Kenogami, Que., it has a cardboard and wrapping paper machine with a capacity of 17,000 tons annually.

The production of this unit includes mill wrappers, screening board, pulp board, egg-case filler board and imitation leather board.

The company also operates under lease the Jonquiere Pulp Co.'s cardboard and specialty mills, with an annual capacity of 30,000 tons.

St. Lawrence Corp.

As well as its newsprint operations, St. Lawrence Corp. produces a substantial amount of kraft paper and boards.

The two mills manufacturing these products are at East Angus, Que., and Red Rock, Ont., with the productive capacity at each now being raised in a $22.2 millions expansion program which is scheduled to be completed by early 1954.

Annual capacity in East Angus, presently includes 28,000 tons of kraft container boards, 30,200 tons of kraft paper, 5,000 tons surplus groundwood pulp and 10,000 of surplus unbleached sulphate pulp. Completion of the expansion program will increase annual capacity to 30,000 tons of kraft container boards and 54,000 tons of kraft paper, as well as enabling conversion of all pulp products at Angus into finished paper and boards.

Two machines used in manufacturing these paper products will be modernized and speeded up, while one unit will replace two others now manufacturing kraft paper products. The unbleached sulphate pulp mill will be modernized, and a semi-chemical pulp mill with an annual capacity of 8,400 tons installed.

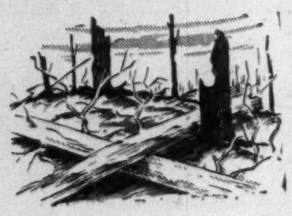
The present annual capacity of Red Rock includes 80,000 tons of

(Continued on page 66)

It's

TIME FOR A CHANGE

in public opinion as regards forest fires . . .



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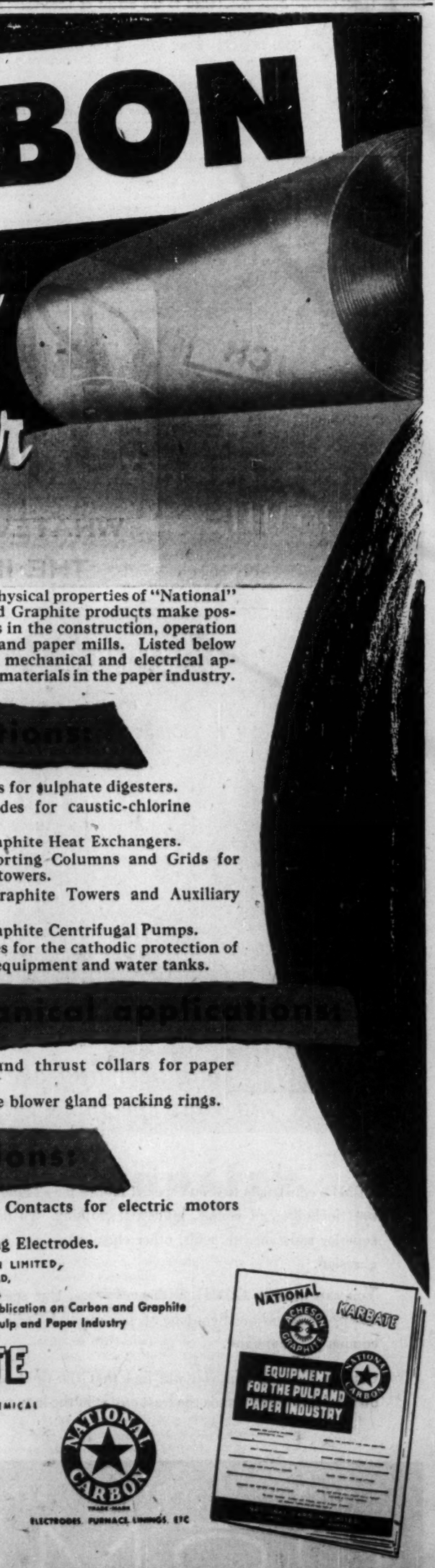

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How Specialty Paper Producers Are Doing

(Continued from page 65)

kraft container boards, 9,000 tons of surplus groundwood pulp and 9,000 tons of surplus unbleached sulphate pulp. Completion of the program will boost annual capacity to 150,000 tons of kraft container boards and 60,000 tons of newsprint.

The one unit now making kraft corrugated and liner boards will be converted to newsprint production, while a new machine for turning out kraft corrugating and liner boards with an annual capacity of about 18,000 tons will be installed. In addition, daily output of ground wood pulp will be boosted from 64 tons to 235 tons of unbleached sulphate pulp to 275 tons to 390 tons, and equipment will be installed for producing chemical pulp with a daily capacity of 55 tons.

When the present program is completed—by early in 1954—St. Lawrence Corp.'s total annual saleable capacity will amount to 653,475 tons of which 234,000 or 35.8% (now 26.1%) will be in the form of kraft papers and container boards.

St. Regis Paper

St. Regis Paper Co. (Canada) Ltd. owns and operates three multiwall bag plants, located at Cap de la Madeleine, Que., Dryden, Ont., and Vancouver, B.C. Sales of valve and open-mouth bags decreased in 1952, largely due to customers' reduction of inventories.

Company's plant at St. Jean, Que., was designed to supply the Canadian market requirements for industrial, refrigeration and decorative Panelyte, the trade name for St. Regis' laminated plastics. Panelyte is a hard, dense material formed by hot pressing fibrous sheets (of paper, fabric or fibre materials) previously impregnated with synthetic resin. It is supplied in sheets, rods, tubes, molded forms and fabricated parts.

Consolidated sales of the parent company, St. Regis Paper Co., New York, achieved a record $101.7 millions in the first half of this year, compared with $92.4 millions in the same period of 1952. Figures include Canadian operations. Earnings outlook for the second half continues favorable, company says.

J. C. Wilson

J. C. Wilson Ltd. manufactures and distributes paper and paper products including wrapping paper, paper bags, toilet tissue, folding boxes, shipping tags, butter wrappers and envelopes, as well as distributing paper and paper products of other manufacturers.

The company operates a paper mill and a bag making plant at Lachute, Que., using about 6,700 tons of groundwood, sulphite and sulphate annually, which is supplied to the extent of 1,200 tons by its own groundwood mill near St. Jerome, Que.

Head office of the company is at Montreal, where it operates a box making and printing plant, warehouses and facilities for the distribution of its products. Branch offices are maintained at Winnipeg and Vancouver. The company has two subsidiaries, Ratcliffe Paper Co., Toronto and Windsor Paper Co., Windsor, Ont. These subsidiaries distribute the company's products in their areas.

Sales during 1952 amounted to $6,703,000 as compared with $7,580,000 for 1951. Consolidated net profit totaled $141,592 as against $330,046 in the previous year. At the end of the year inventories amounted to $929,897 as against $1,020,598 at Dec. 31, 1951.

Westminster Paper

Westminster Paper Co. produces a wide range of paper specialty products at its plant in New Westminster, B.C. Products include wrapping papers, decorative papers, watermarked papers, plain and printed papers, toilet papers, serviettes and towels, fruit wrappers, waxed papers, printed papers in colors, facial tissues, and many other special papers.

Capital expenditures during the year ended Jan. 31, 1953, totaled $548,234, mostly for installation of a third paper machine and necessary auxiliary equipment, expected to increase capacity by 80%. Expenditures of some $600,000 remained to be made to complete company's expansion program.

Increase in net sales to $7,058,561 from $6,746,864 in previous fiscal year was mostly attributable to record production in paper mill and groundwood plant, reported President E. M. Herb.

Net profit of $614,657 was 1.9% lower than previous year's $626,741. A departure from previous years' accounting procedure was provision of additional depreciation of $99,770 on projects under construction at fiscal year-end.

Earnings were equivalent to $6.58 per Class A share ($6.27 in previous year) and $1.85 ($1.92) per common share. Dividends were 50c (50c) on Class A shares and 52½c (35c) on Class B.

Capitalization outstanding at Jan. 31, 1953, included $480,000 Series B 3¼% first mortgage bonds, due 1954-59; $840,000 Series C 4¾% first mortgage bonds due 1960-67; 93,444 n.p.v. Class A shares; and 306,556 n.p.v. Class B shares.

Year-end inventories were $793,790 ($736,723 the year before), and working capital stood at $1,739,404 ($1,480,096).

Scientists Take Close Look At Tree-Killing Budworms

While fire remains the number one destroyer of Canada's top bread-and-butter industry — the forests, a more subtle enemy is menacing rich pulpwood and lumber stands covering a 10,000 square-mile area in the Lake of the Woods-Kenora region of Northwestern Ontario.

Ripped by spruce budworm, hundreds of thousands of mature balsam fir and white spruce are being killed, making their wood useless for newsprint production. Budworm attack is at its peak in May and June, when the larvae (caterpillar stage) feed upon the new growth and opening buds of the trees.

Recognizing the importance of the budworm-infested area as a studying-ground, the federal Department of Agriculture established a field station at Cedar Lake 70 miles east of Kenora in the very heart of the affected district. Headed by Dr. J. R. Blais, Ph.D., of Ottawa, a graduate of the University of Toronto's forestry department and a ranking authority on the budworm, the station operates throughout the year. It seeks to learn more about the habits of the forest enemy so that a program of attack can be carried out. It is assisted by Ontario-Minnesota Paper Co., whose limits are in this area.

According to Dr. Blais, budworm infestation is fatal to balsam five years after the trees are first affected, while it takes one to two years longer for a white spruce to die. Black spruce, the prime source of pulpwood, which is found chiefly in low-lying, swampy country, is usually safe from budworm.

Budworm Not a Worm

Actually, says Dr. Blais, the name "Spruce budworm" is not a fitting name since the insect is a member of the caterpillar family and its diet is largely balsam, not spruce.

The budworm's development consists of four stages: egg, larva, pupa and adult (moth), but it is only in the larva stage that it attacks the trees. The female lays her eggs in clusters of from one to 40 on the buds about midsummer. Each female lays about 150 eggs within the laying period of a few days. The depositing of the eggs is carried out on balsam which are in the "flowering" stage, i.e., when it reaches 30 years of age. The tree begins to grow seeds at this age, and the flowering occurs in two, three or four-year periods from then until the tree attains full growth.

The balsam generally reaches maturity at age 50.

Larvae The Menace

Ten days after the eggs are laid, the larvae hatch, but instead of feeding, they spin silk cocoons and "hibernate" into these when the cold weather arrives and remain in them throughout the winter. Then, during the first warm days of spring they emerge hungry as bears, and immediately fall upon the new growth and buds of the tree, thus paving the way for its eventual death.

The tiny larvae feed off the tree for a period of from four to six weeks until they have grown to one inch in length. Around the end of June they enter the pupa stage and remain as such for about 10 days and then emerge as full-grown adults. This adult stage lasts only a few days during which time they mate, lay eggs and then die.

The Cedar Lake field station was set up in 1947 to investigate forest infestation, not only in budworm but also concerning the large sawfly, tent caterpillar and wood borers. These investigations are expected to play a major role in fighting these deadly tree insects and ridding Eastern Canada's forests of its second worst enemy.

Studies Show Results

The studies by the field station produced a number of interesting conclusions. An abstract report furnished by Dr. Blais stated:

"Populations of the spruce budworm were studied on flowering and non-flowering balsam fir trees, and it was found that more eggs were deposited on the flowering trees. Larvae that fed partially on pollen developed more rapidly than larvae that fed exclusively on foliage. Pollen as a food did not appear to have any direct effect on survival or fecundity.

Other experiments showed that mortality was higher, development retarded and fecundity reduced in insects forced to feed on old foliage in contrast with those fed on the current year's growth. As larvae populations increased, wandering also increased owing to competition for food. This resulted in an overflow of larvae from flowering to nonflowering trees. . ."

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Pulp and Paper

DOMINION CONTAINERS LTD. consolidated net profit of $302,770 for 1952 was 5.3% higher than 1951 net of $287,420.

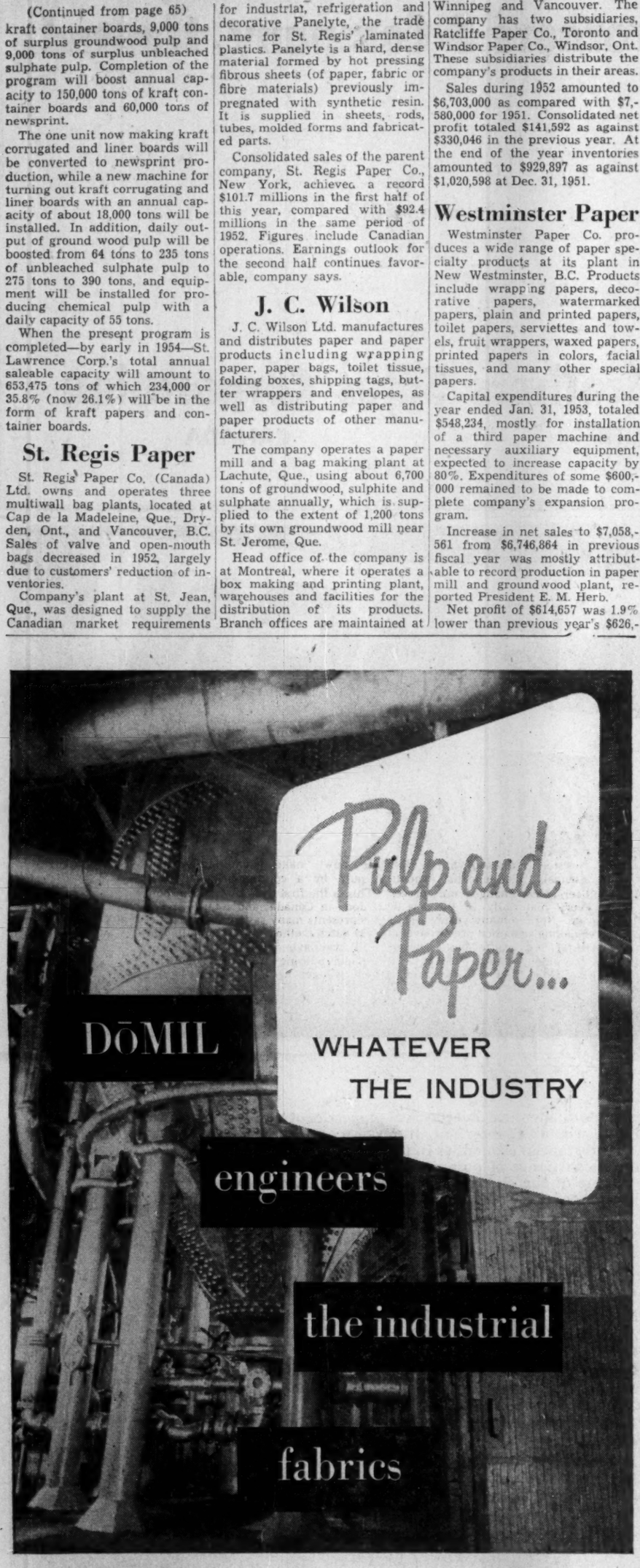
Sales during the year set a record both in tonnage and dollar value, reports President C. N. Moisan.

Redemption of $25,000 first mortgage serial bonds was made Jan. 2, 1952, a further $25,000 Jan. 2, 1953, and $15,000 4½% sinking fund debentures July 2, 1952. A new $413,600 issue of 5% redeemable debentures due July 1, 1972, was made during the year, and $20,400 of this issue subsequently redeemed.

CONSOL. INCOME ACCOUNT		
Years Ended Dec. 31:	1952	1951
Net earnings	$300,849	$746,236
Less: Deprec.	75,929	73,799
Bd. & deb. int.	35,707	27,630
Bd.-disc. & exp.	2,443	2,893
Income tax	384,000	354,544
Net profit	302,770	287,420
Less: Pref. divds.	10,398	14,803
Com. divds.	20,789	41,539
Surplus for year	271,683	231,078
Times Bond Interest Earned:		
Before deprec.	22.43	27.01
After deprec.	20.30	24.34
Earnings per Share and Dividend Record:		
5% pref.: earned	$2.92	2.77
Paid	0.10	0.10
Common: earned	2.81	2.63
Paid	0.20	0.10
CONDENSED CONS. BALANCE SHEET		
As at Dec. 31:	1952	1951
Cash & mkt. sec.	$154,157	$167,641
Accts. rec.	788,477	824,216
Short term notes	400,000	.....
Inventories	635,599	694,339
Total curr. assets	1,978,283	1,686,196
Prep. exp.‡	22,034	22,495
Misc. assets	349,680	580,291
Fixed assets*	787,990	669,143
Total assets	3,357,908	2,958,125
Accts., tax., etc., p	787,682	608,229
Bonds due	25,000	25,000
Total curr. liab.	812,682	633,229
Funded debt	962,700	602,000
Capital stock	519,783	934,623
Capital surplus	422,235	421,285
Earned surplus	639,508	a366,988
*After depr. of	1,274,270	1,216,631

‡Incl. in curr. assets in co's report.
aAfter deducting $415,388 stock dividend and $71,880 tax paid on undistributed income.

Working capital	1,165,521	1,052,967



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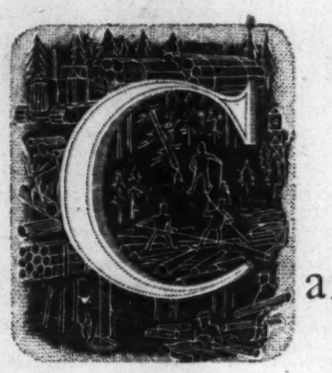

anada's pacemaker

Every day in the year, pulp and paper creates $3 million of new wealth for Canada. In value of production, in exports, in employment, in wages paid, and in investment, it leads all industry. Its purchases of goods and services are unparalleled in Canadian industrial life. Pulp and paper continues to pace Canada's expanding economy.

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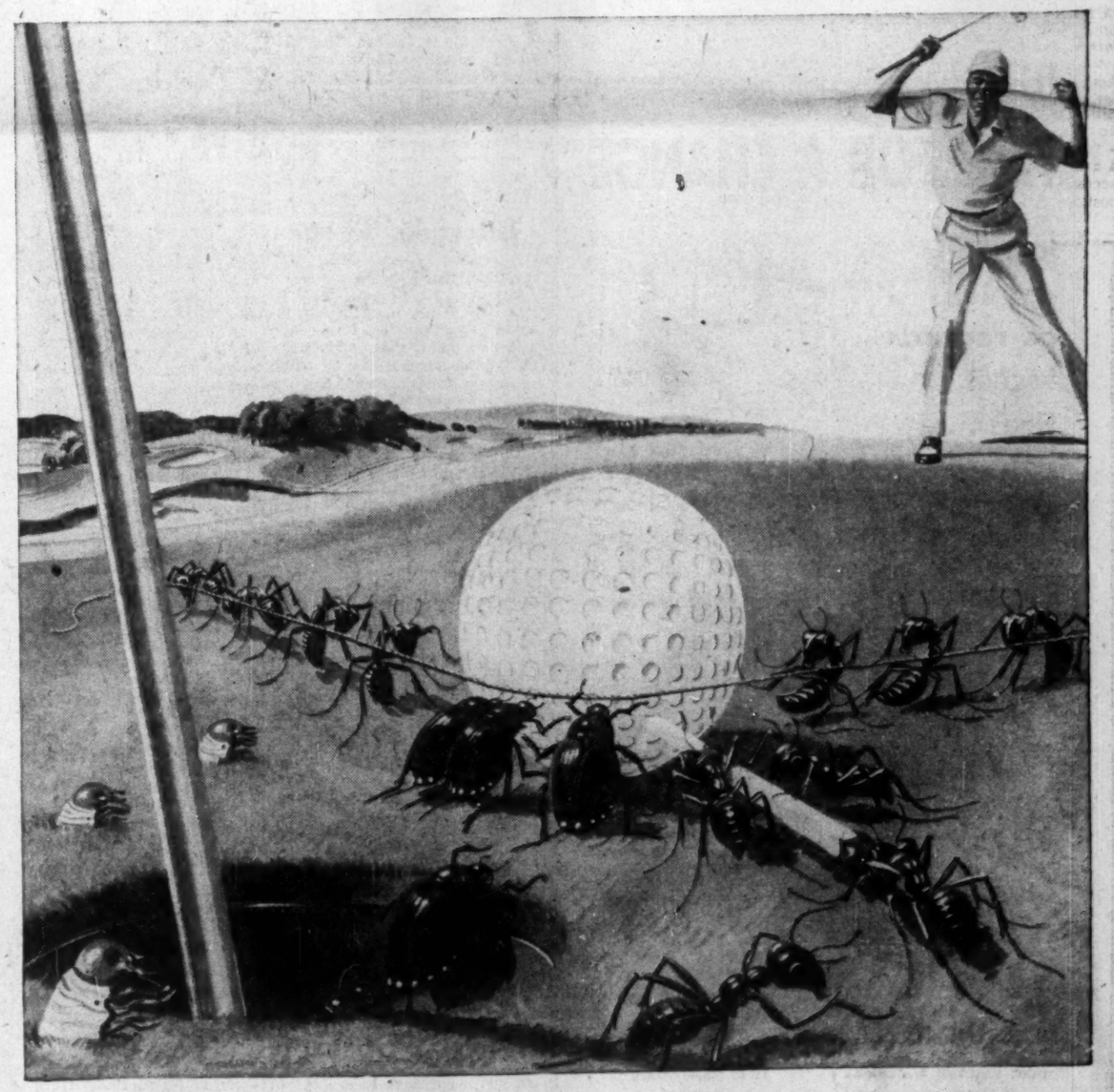

Takes the bugs out of your golf

FOR MANY A WAVERING, unsunk putt, for approaches that head flagwards but end up in a trap, blame those insidious enemies of golf—the turf insects that dote on a tasty green or fairway.

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Chemical Division
SHELL OIL COMPANY OF CANADA, LIMITED
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SHELL

FOREST MANAGEMENT

A Look at the Broad 'Perpetual Yield' Program

The Problems and Progress to Date by Industry and Governments

Are we using our trees faster than they are growing? What is being done to ensure that we will have enough forest materials to meet the increased needs of the pulp and paper industry of tomorrow? R. L. Weldon, president, Bathurst Power & Paper Co., here gives his answers to these questions, tells you the advances made by individual companies and governments in their approach to the problems of forest harvesting, conservation and replacement.

By R. L. WELDON

Are we using our trees faster than they are growing? It is a subject with complexities. It cannot be answered with a quick yes, nor with the rapid no of the apostles of laissez-faire.

My answer breaks into two parts: first, the question of the balance between consumption and growth on the limits of the pulp and paper companies; and second, the balance existing in the Canadian forests as a whole.

Our industry leases or owns more than 160,000 square miles of woodlands. This amounts to 102,400,000 acres. In the wood year ending last May, the industry harvested the biggest pulpwood crop on record from this acreage: 10,044,000 cords. The cut averaged over these limits, ran to less than one tenth of a cord per acre. There is no forester in Canada who will not agree that the average natural growth in these limits exceeds this figure, plus the losses by fire, insects, and disease.

These over-all figures do not, of necessity, apply to every individual company. And while I cannot speak for each operator, I can assure you that the woodlands of my own company can supply our present needs in perpetuity. All the other companies of which I have any real knowledge also have wood in perpetuity.

In assessing the national forest picture the Federal Forestry Branch estimates that an average annual re-growth in the accessible, productive forests of 11 cu. ft. per acre, approximately an eighth of a cord, is required to replace the annual depletion of all kinds including fire, and disease losses. The Forestry Branch, limits the accessible, productive forests to about a third of the total forested areas of Canada. Accessibility is only a relative term. There is no permanent distinction between an accessible and an inaccessible forest. With a road, a railway, a mill, or even a dam, inaccessible forests become accessible and may furnish low-cost wood.

Unfortunately, no complete and proper estimate of the content or the rate of growth of the forests of Canada as a whole has, as yet, been prepared. Only informed estimates are available. The only forests in Canada on which, as yet, we have any real and accurate knowledge regarding the volume of wood available and the rate of growth are those managed and administered by the pulp and paper mills, and by some of the larger lumber companies.

There can be and frequently is an annual loss in the merchantable wood of a mature forest. In short, properly harvested woodlands grow far more wood than untouched or virgin forests. Proper cutting increases the annual growth.

Bathurst Co. limits have been logged over for 150 years. But we have more trees and more wood now in our forests than we had 50 years ago, and indeed more than we had 20 years ago.

As to the growth of the forests of Canada as a whole, informed technical opinions range from pole to pole. On the one hand, we have the occasional fanatic who in 1925 preached that the pulpwood resources would be exhausted by 1950 and who today sees the death of our industry in the next 25 years.

At the other end, are some well-informed and competent foresters who say that any real dearth of wood in Canada at the existing rate of depletion is nonsense. Between these two extremes, there is a wide body of informed professional opinion which believes that the volume of depletion may be beginning to approach the annual growth.

There are a variety of factors which in the future could very well alter the balance existing between depletion and growth.

Canada has the last remaining coniferous forests in the western free world capable of producing an increasing crop. So our world must increasingly look to Canada for supplies of pulp, paper, and paperboard. It is in the national interest, and thoroughly and completely in the best interests of the industry, that our forests be managed to meet this need.

It may be true that in the past Canada has used, indeed misused her forests and that the past record is replete with mismanagement and, at times corruption. The picture of the old days, though, is perhaps not quite as bad as it is sometimes painted. For example, through the years and in the light of the economic framework and of the forestry knowledge of the times, Quebec has had a good record, and its forests today appear to be in good condition. This province is far advanced in its forest legislation and the annual cutting permits do not allow the cut to exceed the growth.

Practically all of the provinces now have adopted similar legislation. Normally, every 10 years the pulp and paper companies take an inventory of their timberlands. On this inventory is based a general working plan which prescribes over the 10-year period the areas to be cut and the cutting methods to be employed. And in addition each year an annual operating plan is prepared. Both the general working plan and the annual operating plans must be approved by government foresters and both must be based on the need of a perpetual supply of wood from the cut-over areas involved.

Need More Knowledge

We need more public knowledge regarding our forests. One sphere in which there is a need for enlightenment is the matter of reforestation which, to many people, means planting little trees. Actually, of course, the most economic and also the best method of reforestation is usually provided by nature herself, namely, natural growth. And in the pulp and paper limits last year, nature produced at least one billion new trees, probably two or three billion.

Artificial efforts could never equal what nature does for herself. In the Maritimes, owing to the climate, we are particularly fortunate in the matter of regrowth. There are woodlots there which produce as much as a cord per acre per year.

Nevertheless, some of the pulp and paper companies do operate nurseries and do plant trees. But when companies operate nurseries, they are operated for certain specific needs and purposes—not as a means of replanting all the trees which have been cut.

For example, take the mill at Kapuskasing which has a nursery of seven million trees. Over practically all of its limits, that mill has an excellent natural regrowth. But there are some areas where spruce has been replaced by balsam, but the Kapuskasing mill likes spruce, particularly for products such as Kleenex, hence they plant some spruce in a few areas in order merely to give nature a hand.

Another company is planting in large freehold limits on Manitoulin Island. These limits are now managed on a perpetual yield basis, but in addition the company has a longterm plan to reconvert these areas to the original coniferous species which grew there.

Our industry is at present at a great turning point, at a variety of turning points all of which have a bearing on our forests and their future. These changes in our industry and the changes that are to come affect every Canadian for one out of every eight freight cars loaded in Canada last year carried pulpwood, pulp, or paper; one third of all the electric power used by industry was used in our mills; we stand first in employment, wages paid, capital invested, production, and exports.

If this kind of an industry is at a turning point, at a new stage in its development, then it will have potent reverberations throughout the economy. This turning point affects every facet of our forest and mill operations and thus, directly and indirectly affects both the use and management of our woodlands.

In physical change, we are turning from cutting virgin timber to operating managed forests. And the reason is not far to seek. No longer have we vast tracts of accessible forests available for development. Generally, the established mills must make do with what they have. This accounts for the declared forest policy of the industry, namely, perpetual yield. At the same time, in future we will face a growing demand for our products and, hence, a growing need for more pulpwood.

What are the mills doing about it? They are preventing forest waste. All of us have taken increasing measures to protect our forests against fire. Then there was Operation Budworm last summer, when International Paper Co. spread DDT over some hundreds of square miles of insect-infested forest in New Brunswick. The attack is being continued over an additional 2,000 sq. miles.

In such matters it is to be remembered, of course, that we are but tenants of the forest; and that the government gets substantial rents from us, not to mention the benefits which the country obtains. To date, the tenant has often done a better job in conserving the forest than have some of the landlords. But fortunately, the provincial landlords are awakening, and at long last, the Federal Government is also taking part in conserving the forests.

Using More Species

In addition to conservation activities, the pulp and paper tenants are struggling to make their woodlands more productive. This is being done in several ways. We are using more species. The Sturgeon Falls mill uses 20 species, including the branches and the bark. For one grade of pulp at our Bathurst mill we also are using all the various hardwoods found on our limits—including the bark.

Canadian International Paper has converted its pulp mill to the use of hardwoods. This is significant for two reasons: first, the mill produces pulp of the highest grades, namely dissolving pulp; and second, because the switch to hardwoods has enhanced the value of the woodlots throughout the region.

The use of hardwoods has changed and improved the economy in the area by providing a better market for the fruit of the forest. The company has also initiated a great tree farm to serve both as a source of wood supply and to encourage the farmers in the region to grow more wood.

About half the limits of our industry are far removed from, and have no particular contact with the farmer and his woodlot. Yet those mills which manage forests in direct contact with farmers have set aside many thousands of acres as tree farms, experimental forests, or demonstration woodlots. Many mills, too, have extension forestry staffs engaged in helping the farmers to grow more wood and grow it at a profit.

Our forest operations, too, are constantly becoming more integrated with a resulting more complete use of the wood harvest. In Quebec, one company makes pulp, paper, wallboard, hardboard, lumber, and other products, and many companies have sawmills.

Again, an organization has been set up by the pulp and paper companies at the Head of the Lakes so that saw logs may move to saw mills, pulpwood to pulp mills, and that logs best suited to the purpose be converted into poles, posts, and other products.

We are learning, too, how to conduct forest research. For example, some of the companies at the Head of the Lakes are co-operating to learn the best means of obtaining larger growth in the uplands in one particular area. Here research will be concentrated on one specific problem confined to one specific area. And this is the only route to success. For forest management problems vary in adjoining watersheds and even in adjoining valleys. The reason for this lies, of course, in soil and other local conditions that determine regrowth.

Returns 50-100 Years Hence

Over-all, the pulp and paper mills have expended many tens of millions of dollars to increase the productivity of their forest lands. It can only bring a return 50-100 years hence. Who else is making a similar long-term investment in Canada?

Bathurst, both in theory and in practice, operates its entire 2,800 sq. miles of timber limits as a tree farm. We have a highly accurate inventory of the wood content of our forests. We know the actual rate of growth in every part of our limits. We know this growth exceeds our cut. We know the soil conditions affecting growth in every area.

We have hundreds of test plots throughout our woodlands from which we are constantly gaining new knowledge of how to grow more wood. From these test plots we are also learning how to cut our forests more economically and fruitfully. And we have made no small contribution to our art in the development and utilization of hardwoods in the semi-chemical pulping process.

We have no extension forester. But we have on our payroll an agronomist—a man who speaks the down-to-earth language of the farmer, a man who can talk to the farmer about his crops and his chickens. In doing so, he is in a better position to help the farmer grow more wood. Our agronomist spends all his time going from farm to farm in the regions where we operate.

Other companies are doing parallel things. Like ourselves, they are conducting pathological and entomological studies. They have devised cutting methods which produce a better regrowth. And finally one company operating in suitable territory has set up permanent forest communities each harvesting and looking after an individual sector of the woodlands. Here, all the workers have an interest in maintaining their forest, and the fire and other hazards occasioned by the seasonal and nomadic worker are avoided.

Changes In Harvesting

Because about half the cost of pulp and paper is absorbed in providing wood, there have been many changes in harvesting methods. But we are interested today in more fundamental changes, not the least of which are the transitions in the use of wood itself, transitions which all tend to conserve wood, or to make a better use of the forest.

For example, here in Canada we cut as much firewood as pulpwood. Maybe a change is coming. Maybe wood now used for fuel will be used for pulping. It may be more economical to use other fuels than wood. We have already found it so in the industry and today many pulpwood camps are heated by oil instead of, as formerly, by wood.

The whole business of shipping goods and commodities has been fundamentally altered in recent years. Paperboard had largely supplanted the use of lumber as a shipping container. If lumber now occupied its former position as a raw material for boxes and crates, we would need today, perhaps 100,000 more workers in the woods in the winter, and we would use as much as five times as many trees as are now required to provide paperboard containers for the shipment of products of Canada.

Today the industry is making exploded pulp somewhat in the way that puffed rice is made. And this exploded pulp is converted into materials which supplant lumber. But the exploded pulp is made chiefly from what was formerly useless material, sawdust, slabs, screenings, and sawmill waste. Again the plywood industry makes the better woods go much further and utilizes, also, wood that would never have made good lumber. Finally, there are two mills in the industry that operate on sawmill waste and other byproducts of the lumber industry.

Chemical Advances

The changes that have come, and that are coming stem from the work of foresters combined with that of chemists. The chemists and engineers have changed our business very materially in the last 25 years. Not too many years ago, papermaking remained pretty much of an art or a craft. Manufacturing problems were met empirically. Now they are met scientifically. Today we are a chemical industry and likely to become increasingly so.

All wood fibres are chemically identical. And our engineers and chemists are now able to modify our manufacturing processes to meet many of the physical differences occurring in the fibres of the various wood species. Hence the trend toward a greater utilization of species throughout the industry.

Today, some poplar is even finding its way for the first time into the manufacture of newsprint. Continuous research on such matters is under way and continuous progress is certain.

So, we are on a new route that will lead us fast to a new situation in which our engineers will say to our foresters: "Grow the trees—any trees—we will be able to convert them to our needs." Thus, ultimately, our foresters may be less concerned with growing our present species and will centre their attention on increasing the productivity of the forests. Already, we are studying the possibility of developing fast-growing hybrids in Canada. Meantime, research is altering our manufacturing methods day by day.

Bathurst now makes semi-chemical pulp by a continuous process. This is the first time this has been done in Canada; and it certainly represents many savings over the old batch method. Again, in our mill, we have developed new high-yield pulping methods from which we get up to 20% more pulp from a cord of wood. And we see increasing betterments ahead.

The progress made in pulping has been paralleled in a more complete use of the components of wood. Here, too, we are at the beginning of a new era. In the Howard Smith Paper Mills' operation they take wood apart and put it back together again in a stronger form. The product is known as Aborite.

Two plants are producing alcohol from waste sulphite liquor and Anglo-Canadian Pulp and Paper Mills has recently erected a new plant, Lignosol Ltd., costing close to $2 millions, which converts waste liquor into useful chemical products.

Wood is, of course, one of the great family of carbohydrates potentially capable of producing a vast array of chemical products including many of those that come from coal and coal tar. Science has not yet unlocked all the chemical secrets of wood, particularly of lignin. But in the scientific game, we are constantly gaining our yards and some day our plants will not only be pulp mills and paper mills, but also great chemical complexes producing a host of chemicals essential to industry.

Research Work

The potentialities of the industry and the changes we shall undergo can be tied in a better bundle by mentioning the Pulp and Paper Research Institute of Canada. This is the focal point of collective industry research.

McGill provides the professors and the academic training, the Federal Government provides some financial assistance, but nine tenths of the financial support of

(Continued on page 68)

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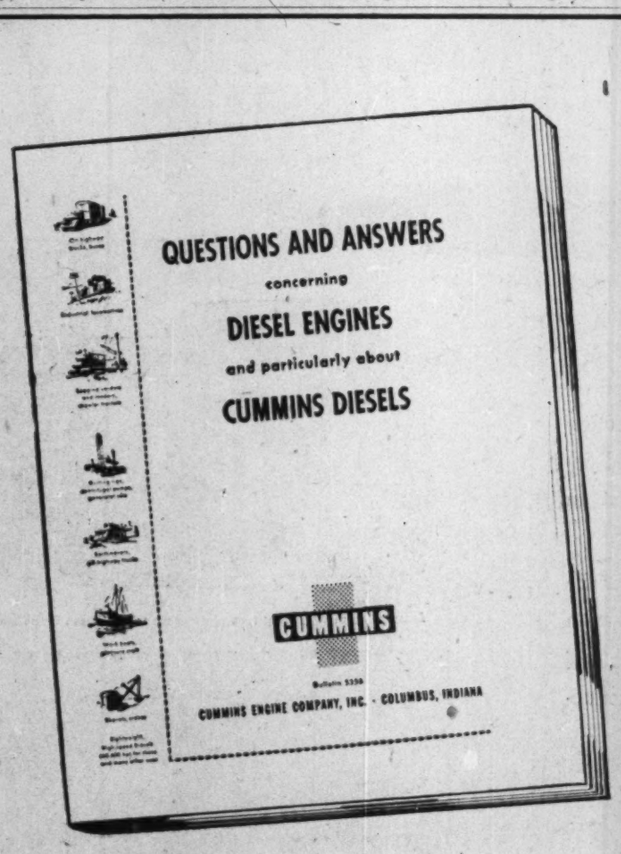

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Answer: This is one of 60 questions answered in a booklet on diesel power. Can you afford not to have all the facts about diesel power, and Cummins Diesels in particular, at your elbow?

Conclusion: Send for a copy at once. If you will tell us about your power problem, some additional factual data about others doing similar work, will be included.

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Pioneers of Industry
IN A LAND OF PROMISE

The triangle-shaped map of Newfoundland is getting more attention throughout the world today than at any time since Fifteenth Century cartographers sketched the first crude outlines of the big island in the New World discovered in 1497 by John Cabot.

For a new industrial era has begun in this land of promise where for more than four centuries cod-fishing was almost the sole industry. European and American industrialists and financiers, attracted by promising surveys of latent resources, are scouting the Island for minerals and oil. Several new industries have already been established.

And in Labrador, Newfoundland's big northern dependency, a great mining boom will get underway when the 350-mile railroad presently being pushed into the interior is completed.

The Anglo-Newfoundland Development Company Limited is a pioneer in the diversification of the Island's economy. Shortly after the turn of the present century the Harmsworth brothers of England with vision and enterprise built a newsprint mill on the banks of the Exploits River in Central Newfoundland. It was the first big industrial plant to be established in the Island.

Today this mill, many times enlarged, turns out 750 tons of newsprint daily, employs 5,000 people, and has an annual payroll of $14,000,000. Its products are marketed on a world-wide basis.

The Anglo-Newfoundland Development Company Limited
MANUFACTURERS OF QUALITY NEWSPRINT
GRAND FALLS NEWFOUNDLAND CANADA

CANADA'S TENTH PROVINCE — WATCH NEWFOUNDLAND GROW!

Pulp, Paper's Big Road Building Job In the Hinterlands

Pulp and paper parallels mines in opening the fringe of Canada's hinterland for industry and new population. A prime example: the extensive road building job carried on for many years by the industry in Ontario's vast forest lands.

Since 1940, more than 1,600 miles of all-weather roads have been built across northern Ontario by pulp and paper firms, according to the 58-member Ontario Forest Industries Association.

The initial cost to the companies concerned: $6,250,000. During the same period, the same companies have spent better than a million dollars in maintenance of these roads.

"This road-building program," said B. F. Avery, Espanola, association road committee chairman, "represents a tremendous construction and financial undertaking by private companies in the development of Canada's basic industry, the forest."

"It is difficult to estimate the tremendous contribution that the building of roads, opening up entirely new areas, has made to the wealth of the province of Ontario," says Avery, a veteran woodsman.

Open to Public

A large number of these privately built roads are open to public travel and several have been incorporated into the provincial highway system. A 60-mile stretch connects with the Sudbury-Sault Ste. Marie Provincial highway and forms parts of the road from Blind River to Chapleau. Another route, now an Ontario highway, extends into Red Lake in the Lake of the Woods district.

Companies comprising the Ontario Forest Industries Association represent pulp and paper, sawmill operators and independent operators. All of these companies are currently engaged in long-range road building programs which in future years will open up new forest areas which are presently inaccessible to woods operations, according to Avery.

As trucks and mechanized equipment began to replace the horse-drawn vehicles which for years had transported supplies and logs over snow and tote roads, forest operators started to build year-round roads in the late 1930s. Companies do not receive any financial assistance from the Ontario Government in their road building or maintenance programs.

Since 1943 when the central agency, Ontario Forest Industries Association, was organized there has been an extensive road building program which has permitted an orderly program of forest management, fire prevention and woods harvest. Roads vary in length ranging from those of about two miles to the longest single stretch measuring 81-miles in the Thunder Bay district adjacent to Lake Nipigon. In the Spanish River section, west of Sudbury, another main road and its branches measures 92 miles.

$25,000 Per Mile

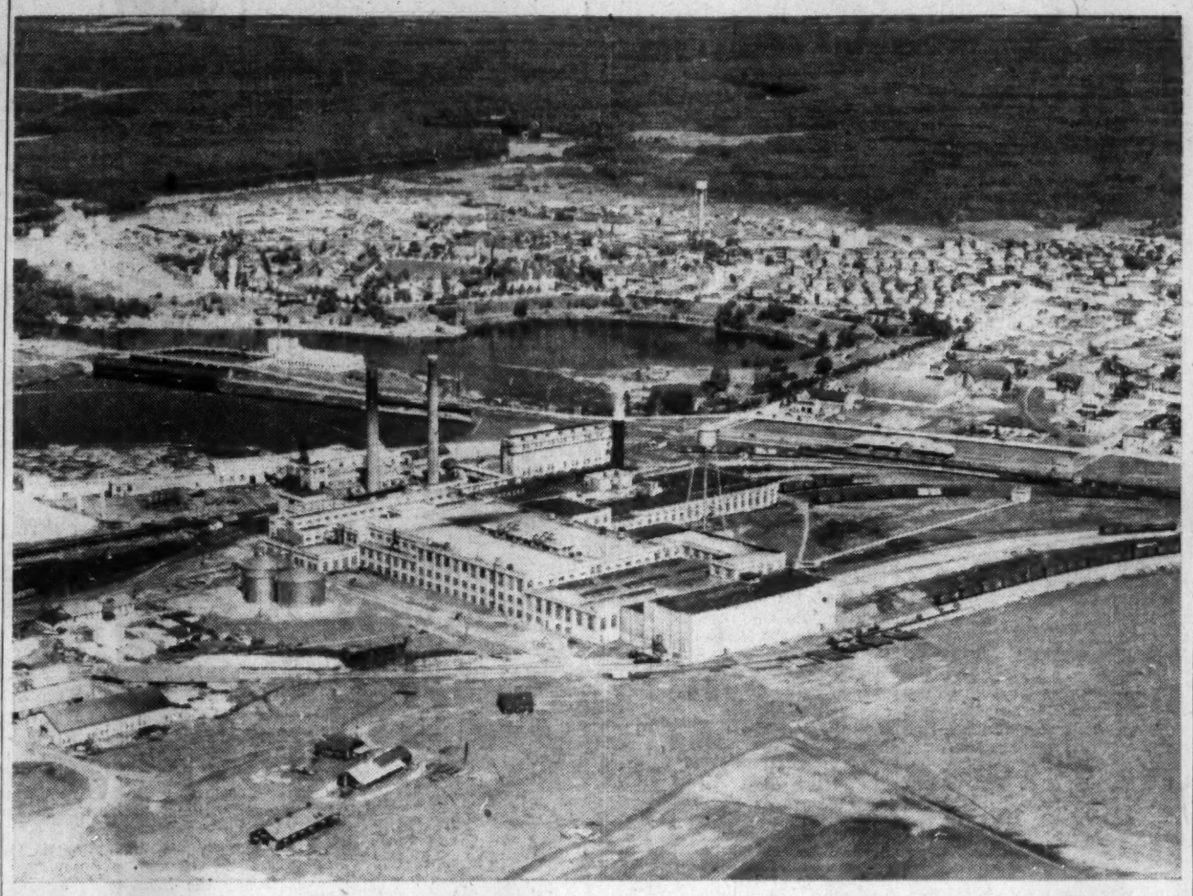
These roads, said Avery, represent a major engineering project. Built through rough terrain in most cases, valleys and rivers must be bridged and spanned and costs per mile sometimes reach $25,000. Roads are built to handle trucks and mechanical equipment weighing up to 20 tons. After each snowfall these roads are plowed out the same as city streets.

"Closing of the roads to public travel at various times brings criticism from people who feel that these roads should be accessible to public use," the O.F.I.A. report noted. These roads were built with private funds at heavy cost primarily to accommodate essential transportation of an industry which employs approximately 30,000 persons in the woods.

"Therefore, it is in the interests of public safety and the safety of the forest itself that the use of these roads be limited generally to the purpose of fire prevention and protection and industrial use," the association reported.

The privately built roads dot the Ontario northland from the Ottawa River, to the Manitoba border, but the largest single concentration surrounds Lake Nipigon, north of Port Arthur and Fort William, many connecting with provincial highway No. 17, part of the Trans-Canada Highway.

Industrial Spearhead for the Virgin Lands



Spruce Falls plant and town in Northern Ontario typifies the job pulp and paper is doing in opening virgin northlands to industrial development and population. A familiar scene across the north: busy townsite and mill against an 'unending' backdrop of rich timberlands.

Here's Look at the Broad 'Perpetual Yield' Program

(Continued from page 67)

the Institute comes from the pulp and paper mills.

Something of the trend in the industry itself is exemplified in the stature of the Institute which as a research centre ranks second only to the National Research Council.

The Institute is spending six or seven times as much per year as it was three years ago. Substantial progress is being made both in fundamental and applied research because now we are in a position to throw teams, research teams into studying individual problems and projects.

Perhaps the best way of indicating the contribution which the Institute has made toward a better use of wood is to point out that it has been responsible for developing the only major advance in chemical pulping in many, many years. Our objective is to have our Institute the leading world centre of knowledge of wood, wood cellulose, and wood products. And we are already well along the road to this objective.

Today we are industrially up to the bit and we have put science hard to work on every facet of our work. This emphasis on science, in wider knowledge, is the best investment we can make to assure our industry's tomorrows.

And the pay-off can be enormous—not only in terms of pulp and paper, but in terms of our forest future and in terms of the stature of Canada among the nations.

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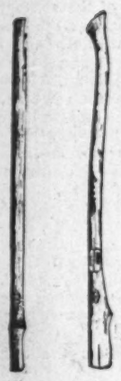

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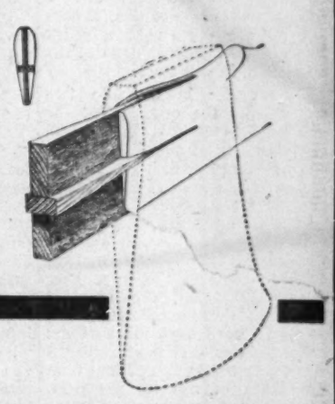

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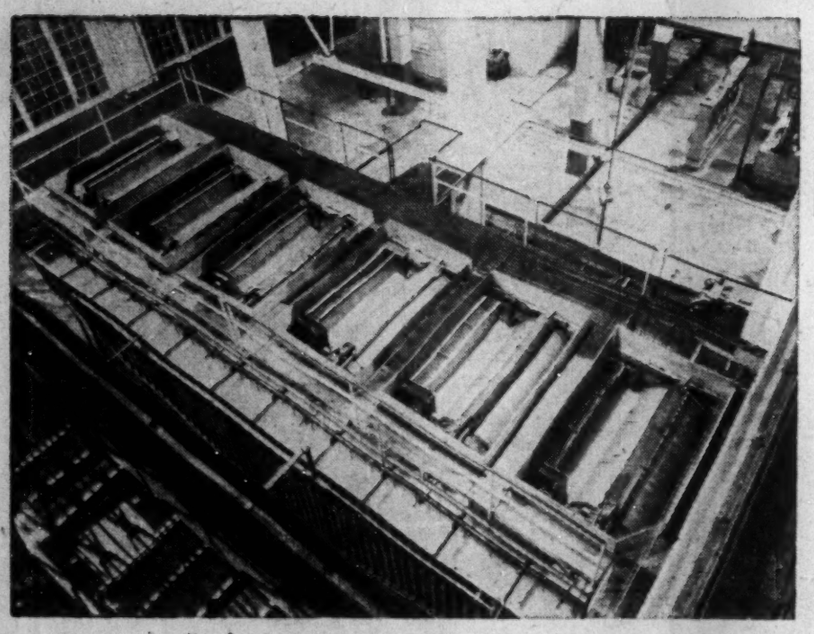
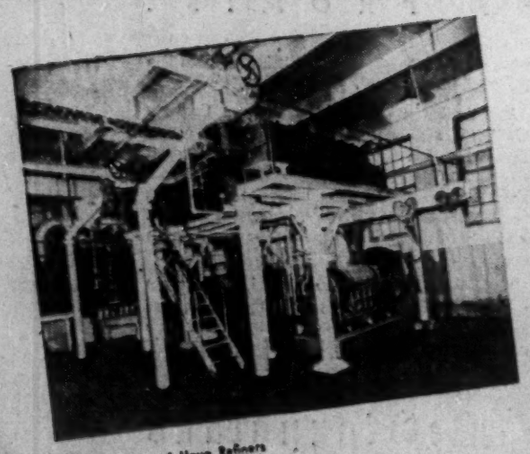
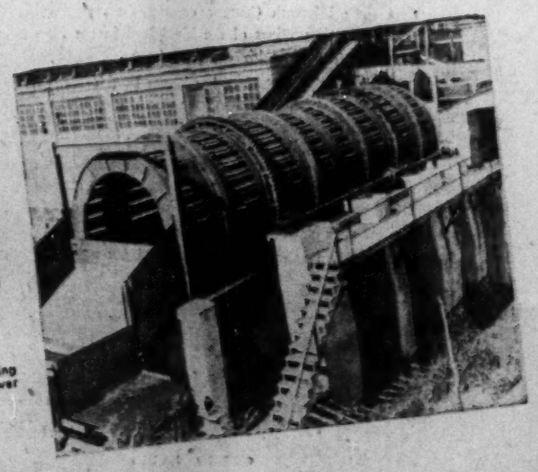


Six 3A-100 Bird Paper Screens in a Westcoast newsprint mill.



An installation of Haug Refiners and Drainers in a Quebec mill.



"Weldrum" Barker featuring welded fastening for lower maintenance costs.

Three out of every five newspaper pages in the world are printed on Canadian newsprint, making the manufacture of pulp, paper and other cellulose products Canada's largest industry. Expansion and increased demands from foreign and domestic markets continue to bring about an ever increasing yearly output.

Canadian Ingersoll-Rand has been manufacturing machinery for the pulp and paper industry for over 50 years. Our Pulp and Paper Division, in keeping with the importance of this industry to Canada, has a staff of specialists in the field available to help mill operators solve their production problems.

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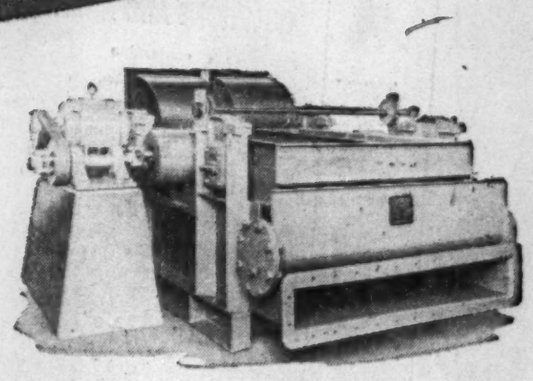
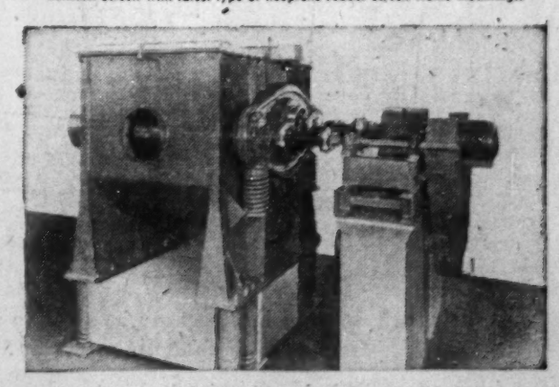
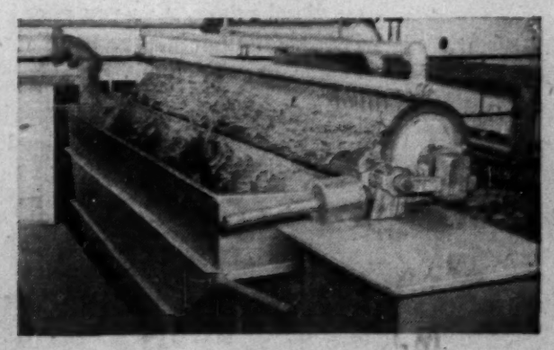


Jonsson Screen with latest type of neoprene rubber screen frame mountings.



Bird Vibrotor Screen, the latest in modern screening equipment.



Bird Save-all prevents waste of valuable paper furnish.